

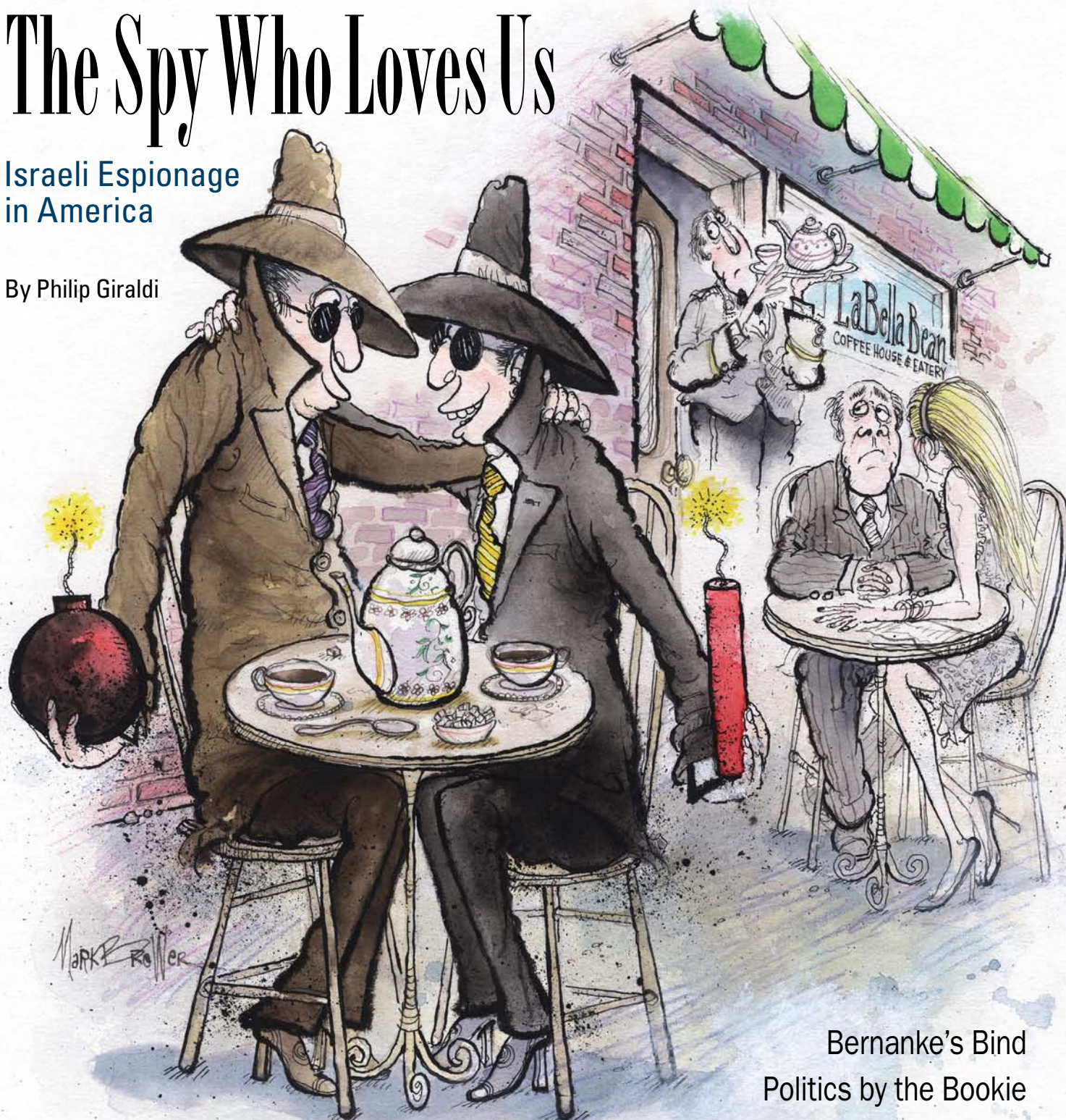
JUNE 2, 2008

# The American Conservative

## The Spy Who Loves Us

Israeli Espionage  
in America

By Philip Giraldi



Bernanke's Bind  
Politics by the Bookie  
Should Bush Go to Beijing?

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## SUPERSIZE US

Your review of *Farm Sanctuary* by Rod Dreher (April 21) deserves comment. Dreher promotes localism in farming and decries the inhumanity of large farms. He also states that he is willing to pay the price for food that is grown and raised on a small scale. This niche seems to be well represented by Whole Foods, a market chain that caters to an upscale customer. But it is only a niche.

When people advocate localism I ask myself, do they really believe it can replace agribusiness? Do they realize just how expensive everything would be if all foods were produced on a small scale? Farming is a global business. There are still small farms, and that is a good thing, but farms overall have gotten bigger and bigger. As a result, food inflation has been very low. States can regulate the size of large farms, and truly large farms, also called megafarms, are controversial. But there is no question that farms have become more productive as they have become larger and as technology has made farming less labor intensive.

Localism is best thought of as a marketing concept: there's a place for it, but it cannot and should not replace agribusiness.

KEVIN WALKER

*Munith, Mich.*

## IT'S MY PARTY

I enjoyed the interview with former Congressman Bob Barr (May 5). One correction: Barr stated, "the Libertarian Party alone among third parties has ballot access..." That is untrue.

In the 2004 election, the Libertarian Party led third parties with ballot access in 48 states, plus the District of Columbia, but they were not on the ballot in all 50 states. As of this writing, they have obtained ballot access in 29 states.

Despite outnumbering the other third parties in ballot access, they are not the largest third party. According to the March 2008 issue of *Ballot Access News* that honor belongs to the Constitution Party, with 384,722 registered voters as compared to the Libertarian Party's 225,529.

JOSEPH J. MCGRENRA

Secretary, Constitution Party of Virginia  
*Virginia Beach, Va.*

## SUIT UP OR SHUT UP

It was amusing to note last month that *The American Conservative* and *The Nation* were cawing in chorus in complaint about our military operations in Iraq. With this latest issue of your magazine, the whimpering and whining has become tiresome.

Your complaints would be worthy of serious consideration if anyone in your shop had ever borne a rifle on one of America's battlefields. But it's obvious no one there has ever done so because such a person wouldn't bellyache about our combat operations.

It takes gall for someone ensconced in a climate-controlled environment to moan about the activities of men committed to a battlefield in the defense of this nation. And you can stuff all your philosophical and political rationalizations justifying stabbing our boys in the back.

By a vast margin, most veterans—23 million of us—strongly support the military campaigns in Iraq and Afghanistan, particularly those of us who've carried a rifle in combat. Virtually every other veteran with whom I'm in contact is a strong supporter of our current military operations. I know of but one, a bleeding heart leftist and peacetime veteran, who isn't.

DAVE LIVINGSTON

Captain, USAR (ret.)

*Colorado Springs, Colo.*

## NO STATE SOLUTION

Until quite recently, I really believed, like Zbigniew Brzezinski ("Mr. Zbig," May 5), that the key to restoring stability to the Holy Land rested in the two-state solution. As a religious Jew, I was often made to feel isolated in my community for taking that somewhat unpopular stand.

But in the last few months I have had a change of heart. Creating another failed state in the world, in this case the Republic of Palestine, will no more facilitate a satisfactory outcome for both Israelis and Palestinians than the much heralded Lancaster House Accords did for the people of Rhodesia in 1979. In that case, Ian Smith's reluctant actions gave his country three decades of misrule by Mad Bob Mugabe and the trainwreck of a state we know as Zimbabwe. I, for one, do not wish to see an Israeli government pressured to make a similar choice vis-à-vis the Palestinians.

Obviously, the position I've reached leaves little room for hope or optimism for the land of Israel, and I painfully accept that reality. But at the end of the day I'd rather throw in my lot with a West Bank Jewish settler, who at least shares my core religious values, than with the Palestinian leadership that shows its appreciation for Israel's withdrawal from Gaza by showering rockets down on Sderot and Ashkelon.

DAVID L. BLATT

*Chicago, Ill.*

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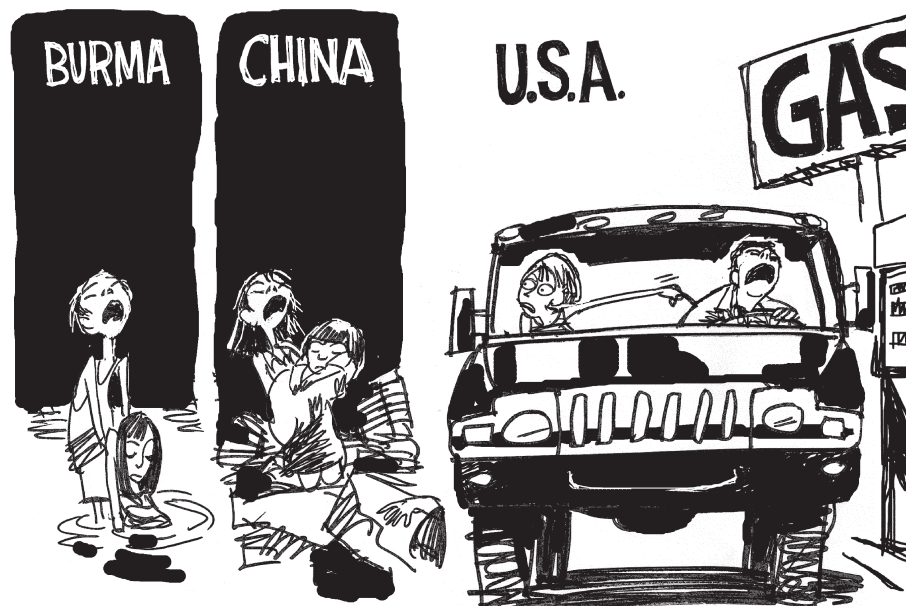
[WAR]

## BURMA NEEDS YOU

The slow burn of the Iraq conflict has done little to cool Washington elites' enthusiasm for intervention. After Cyclone Nargis struck Myanmar, killing at least 60,000, Robert D. Kaplan's first thought was, send in the Marines. By chance, "American armed forces are now gathered in large numbers in Thailand," he wrote in a *New York Times* op-ed, "one should not underestimate the advantage that fate has once again handed us." And the prospect of adding a manmade disaster to a natural one? Kaplan acknowledged that junta-ruled Myanmar's population of 47 million is divided into over a half-dozen mutually unfriendly ethnic groups—"the Chins, Kachins, Karennis, Karens, Shans and other hill tribes," plus the dominant Burmans—and the country "has suffered insurgencies for 60 years now." Still, Kaplan accentuated the positive side of intervention.

There are worrying signs that John McCain takes daydreams like Kaplan's seriously. An insightful profile by Matt Bai in the *New York Times Magazine* suggested, "While most politicians looked at injustice in a foreign land and asked, 'Why intervene?' McCain seemed to look at that same injustice and ask himself, 'Why not?'" Myanmar, at least, still seemed a bridge too far to the man who would be commander in chief: "I'm just not sure the American people would support a military engagement in Burma, no matter how justified the cause." But he mused that with public support and international co-operation, anything might be possible.

A better foreign-policy vision comes from blogger Robert Stacy McCain, who is all for intervention—if we send the right people. "The Pentagon should deploy Robert D. Kaplan to Burma immediately," he writes, "If necessary, we should send every think-tank wonk in Washington—pack 'em into C-130s and airdrop them on Burma. We ought



to be willing to fight to the last 'senior analyst' over this Burma thing, and I look forward to watching the Beltway policy establishment flock to the Marine Corps recruiting stations..."

[WORLD]

## BROKEN CHINA

You needn't be a believer in the melting of differences between nations, an apologist for oligarchic government, or a free-trade fan of the current state of U.S.-Chinese economic relations to be moved by the reports coming out of China. When that country faced comparable earthquake devastation 32 years ago, the damage was hidden from the world by a totalitarian Maoist government. That isn't possible now.

The Chengdo earthquake revealed not only the flimsiness of recent Chinese construction—including, most tragically, elementary schools—but also a technologically savvy populace willing to make sacrifices to help neighbors in need. When the rubble is cleared and the dead buried, that is likely to be the quake's largest legacy. China's new wealth has created a modern civil society, able to act independently of the government.

The quake may have other consequences as well. The images of Chinese people acting with bravery and compassion in the face of stunning adversity takes much of the sting out of the anti-Olympic protests, whose message can't help but seem small by comparison. If the tragedy dissuades Western leaders

from making a show of insulting the Chinese government by boycotting the Olympic ceremonies, that would be welcome. So too would be the muting of those Beltway strategists trying to portray China as the next great enemy against whom America must mobilize. (McCain adviser Bob Kagan regrettably falls into this category.) The sights and sounds coming from that stricken country make demonization more difficult. Nothing that kills 50,000 and leaves 5 million homeless can ever be a good thing, but some good may yet emerge.

[POLITICS]

## WATCHING THE PREVIEWS

After surveying three special election defeats for the GOP in the once "solid South," departing Congressman Tom Davis took stock of the Bush years in a 20-page memo. Party registration, an all-time low; unfavorable ratings, crushing. Democrats have insurmountable advantages in fundraising for local candidates, for the presidency, and among independent 527's. Even former GOP leaders who have gone to K Street lobbying firms are giving money to Democrats. The memo was hailed as "tough minded" and "realistic."

But Davis's memo amounted to little more than a marketing scheme. "A new wardrobe is needed," he says. Davis urges Republicans to "send an emergency energy package to Congress and dare them to act." And to "send Congress a competitiveness agenda which includes Colombia, Panama and Korean Free

Trade.” In this Davis reflects McCain’s assessment that Republican unpopularity has something to do with Colombia: “The failure of the Congress to take up and approve this agreement is a reminder why 80 percent of Americans think we are on the wrong track.” On the war on terror, Davis said only that Republicans “must continue to hammer on FISA.” On the Iraq War, the signature event of the Bush years, Davis says nothing at all.

Special election defeats foreshadow an anti-Republican landslide in November, and Davis’s memo serves notice that the GOP will learn nothing from it. If even a retiring Republican cannot bring himself to mention Iraq, let alone criticize the most unpopular commander in chief in a generation, there is no hope for the party of Reagan.

## [CULTURE] OUR TOWN

We know how movement conservatives feel about Paul Krugman: reading him is discouraged, agreeing is a worse sin than taking Reagan’s name in vain. But a recent column struck a chord.

“OK, I know that these days you’re supposed to see the future in China or India, not in the heart of ‘Old Europe,’” Krugman wrote from Berlin, where gas is now \$8/gallon. He described a city laced by trains, buses, and bikes and “a pleasant, middle-class neighborhood consisting mainly of four- or five-story apartment buildings, with easy access to public transit and plenty of local shopping.”

Contrast that scene with suburban Americans struggling to commute from their McMansions on \$4 gas. Whose social order is more stable? Which city is more secure?

There is something expansive in the American spirit, accustomed to space and plenty. At its best this manifests as optimism; at its worst, gluttony. Even conservatives, who once made a virtue of modesty, now boast of their appetites,

as if driving an SUV is an expression of freedom. But with the price of oil up five-fold in five years, something’s got to give.

Our cities won’t transform overnight. Subdivisions built when gas was cheap won’t immediately shutter. Our public transit systems are underdeveloped. And higher density living has problems often overlooked by those who write lovingly of farmers markets and corner coffeehouses: the *St. Louis Post-Dispatch* recently published a piece about a young couple that moved into an urban row house and relished city living—until they found the public schools unacceptable for their children.

Those issues will have to be addressed, but they don’t alter the fact that our current structure is neither sustainable nor, in many cases, desirable. Change is coming, and that needn’t be a fearsome prospect. Europeans are hardly experiencing an apocalypse. They’re enjoying their neighbors and their local haunts, not to mention their freedom from having to fill up SUV’s. These are developments true conservatives can embrace—whoever happens to be noting them. ■

## CORRECTION

In “Mr. Zbig” (May 5), I said that Zbigniew Brzezinski had endorsed John Mearsheimer and Stephen Walt’s book, *The Israel Lobby*, published in 2007. Brzezinski’s office pointed out that this is not the case, that while he had endorsed the authors’ *London Review of Books* article of 2006 on which the book was based in a roundtable published in *Foreign Policy*, he never endorsed the book itself. I regret the error, though I would add that I look forward to a time when this book, which has attracted such a huge following, much of it underground, ceases to be radioactive. —Philip Weiss

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[reading the classifieds]

# *The Spy Who Loves Us*

Pay no mind to the Mossad agent on the line.

**By Philip Giraldi**

AFTER ISRAELI SPY Jonathan Pollard was sentenced to life in prison in 1986, the U.S. negotiated an understanding with Israel—a “gentlemen’s agreement”—stipulating that neither nation would thenceforth conduct espionage operations in the other’s territory without consent. But the agreement was a sham from the beginning. The Israeli government didn’t even honor its commitments in the aftermath of the Pollard case, failing to return the estimated 360 cubic feet of stolen information to enable the U.S. to conduct a damage assessment. The United States, for its part, continued to recruit and run agents inside Israel throughout the 1980s and 1990s. And it was known within the intelligence and counterintelligence communities that Israel did the same in the United States. David Szady, the FBI’s assistant director for counterintelligence, was so dismayed by the level of Israeli spying in the late ’90s that he called in the head of the Israeli Embassy’s Central Institute for Intelligence and Special Activities (Mossad) office and told him, “Knock it off.”

Pollard’s name was in the news again on April 22, when former U.S. Army weapons engineer Ben-Ami Kadish was arrested for passing secrets to Israel. Kadish had been an agent run by Yosef Yagur, who directed Pollard. Yagur, under cover as a science attaché at the Israeli Consulate General in New York, fled the U.S. in 1985 after Pollard was arrested, but remained in touch with Kadish.

The arrest revived suspicions that Israeli agents might still be operating inside the U.S., most particularly “Mega,” whose cover name was revealed in an NSA-intercepted conversation between two Israeli intelligence officers. “Mega” was clearly at the policymaker level, as Kadish and Pollard frequently sought files by name or number. Someone more senior in Washington appeared to be directing the Israeli handlers toward sensitive information. Whoever “Mega” was, he is still at large.

Israeli Foreign Ministry spokesman Arie Mekel sought to play down the allegations, noting, “Since 1985 there have been clear orders from prime ministers not to conduct these kinds of activities.” The media obediently reported the disclaimer under headlines such as *Agence France Presse*’s: “Israel says no spying on US since 1985.” But the spokesman had not said that. He referred to “these kinds of activities,” possibly meaning the recruitment of American Jews to work as Israeli intelligence agents. Mekel’s half-hearted denial was a step removed from the Israeli government’s reaction to the 2004 investigation of the American Israel Public Affairs Committee, when then Prime Minister Ariel Sharon and Foreign Ministry spokesman Mark Regev insisted that Israel “does not spy on the United States of America.”

It’s possible that Israel has largely demurred from recruiting American Jews as spies, but Tel Aviv’s intelligence

operations in the U.S. have undeniably continued. The magnitude of Israeli espionage is certainly known to some senior government officials and is hidden in classified files. But even evidence available in public records attests to widespread infiltration.

Spy operations run by a case officer directly involving a controlled agent are only one of many tasks delegated to an intelligence service. Other responsibilities might include tapping into communications networks, directing agents of influence in the foreign government who can enable favorable policy decisions, running covert actions that feed misleading information to the media, and arranging technology transfers that frequently rely on companies that are either fronts or co-operating with the intelligence service to obtain secret military or commercial information. Even if Israel has stopped recruiting American Jews—and that is by no means certain—it nevertheless continues to carry out many core intelligence operations in the United States.

Israel has little need to run agents of influence here as its intelligence officers, diplomats, and politicians already have unfettered access to policymakers. It has been reported that the Pentagon under Paul Wolfowitz and Doug Feith—both of whom have been investigated for passing classified information to Israel—took few steps to monitor Israeli visitors. Likewise, the Israeli Embassy has excellent access

to the media. When it wants to plant propaganda or place stories intended to shape opinion in a direction favorable to Israel, the Mossad generally looks to the British press. Rupert Murdoch's *Times* group of newspapers and the *Daily Telegraph*, formerly owned by Conrad Black, have featured many articles that clearly originated with Israeli government sources. Such pieces are often picked up and replayed in the United States.

Virtually every U.S. government body concerned with security has confirmed that Israeli espionage takes place, though it is frequently not exposed because FBI officers know that investigating these crimes is frustrating and does no favors for their careers. But Israel always features prominently in the annual FBI report called "Foreign Economic Collection and Industrial Espionage." The 2005 report states, "Israel has an active program to gather proprietary information within the United States. These collection activities are primarily directed at obtaining information on military systems and advanced computing applications that can be used in Israel's sizable armaments industry." It adds that Israel recruits spies, uses electronic methods, and carries out computer intrusion to gain the information.

The focus on U.S. military secrets is not limited to information needed for the defense of Israel, as was argued when Pollard was arrested. Some of the information he stole was of such value that many high-ranking intelligence officers believe the Soviet Union agreed to the release of tens of thousands of Russian Jews for resettlement in Israel in exchange. In early 1996, the Office of Naval Investigations concluded that Israel had transferred sensitive military technology to China. In 2000, the Israeli government attempted to sell China the sophisticated Phalcon early warning aircraft, which was based on U.S.-licensed technology. A 2005 FBI report noted that

the thefts eroded U.S. military advantage, enabling foreign powers to obtain hugely expensive technologies that had taken years to develop.

In 1996, ten years after the agreement that concluded the Pollard affair, the Pentagon's Defense Investigative Service warned defense contractors that Israel had "espionage intentions and capabilities" here and was aggressively trying to steal military and intelligence secrets. It also cited a security threat posed by individuals who have "strong ethnic ties" to Israel, stating that "Placing Israeli nationals in key industries ... is a technique utilized with great success." The memo cited illegal transfer of proprietary information from an Illinois optics firm in 1986, after the Pollard arrest, as well as the theft of test equipment for a radar system in the mid-1980s. A storm of outrage from the Anti-Defamation League led to the Pentagon's withdrawal of the memo, an apology that predictably blamed the language on "a low-ranking individual," and a promise that no similar warning would be written again.

But the issue of Israeli spying would not go away. Soon after, the General Accounting Office, the investigative arm of Congress, completed an examination of espionage directed against American defense and security industries. The report described how Israeli citizens residing in the U.S. had stolen sensitive technology to manufacture artillery gun tubes, obtained classified plans for a reconnaissance system, and passed sensitive aerospace designs to unauthorized users. An Israeli company was caught monitoring a Department of Defense telecommunications system to obtain classified information, while other Israeli entities targeted avionics, missile telemetry, aircraft communications, software systems, and advanced materials and coatings used in missile re-entry. Independently, a Defense Department

source confirmed the GAO report, citing "dozens of other spy cases within the U.S. Defense industry." The GAO concluded that Israel "conducts the most aggressive espionage operation against the United States of any U.S. ally."

In early 2001, several federal government agencies noticed a series of intrusive approaches by Israelis who were ostensibly selling paintings. In June, the Drug Enforcement Administration made a compilation of the activities of the so-called "art students" in a classified report, which was later leaked. The report documents 125 specific attempts by Israelis to gain entry to government offices, residences of government employees, and even Defense Department facilities between January and June 2001. The Israelis "targeted and penetrated military bases" and were observed trying to enter federal buildings from back doors and parking garages. One detained Israeli was caught wandering around the federal building in Dallas with a detailed floor plan in hand. Many of those arrested were found to have backgrounds in "military intelligence, electronic surveillance intercept, or explosive ordnance units."

Now, there may have been an Israeli student subculture in the U.S. selling cheap reproductions. But it is also clear that the art-student mechanism was used by intelligence officers to provide cover for espionage. The students were organized in cells of eight to ten members that traveled in vans, which provide concealment for electronic equipment. Several of the students were able to afford expensive airline tickets to hop from plane to plane, two of them flying in one day from Hamburg to Miami, then to Chicago, and finally winding up in Toronto on tickets that cost \$15,000 each. In Miami and Chicago, they visited two government officials to try to sell their art. Another student had in his possession deposit slips for \$180,000. Six students used cellphones provided by a

former Israeli vice consul. Many claimed to be registered at either the University of Jerusalem or the Bezalel Academy of Arts in Jerusalem, but not a single name could be connected to the student body list of Bezalel, and there is no University of Jerusalem.

It is plausible that the art students who were actually intelligence officers might have been seeking entry to DEA facilities to gain access to confidential databases. If the broader Israeli espionage effort was focused on Arabs in the United States, such information would be invaluable. The DEA report concluded cautiously that the Israelis “might well be engaged in organized intelligence gathering.” Of the 140 art students arrested, most were deported for immigration violations. Some were just let go.

And then there are the movers. Urban Moving Systems of Weehawken, New Jersey was largely staffed by Israelis, many of whom had recently been discharged from the Israeli Defense Forces. As has been widely reported, three movers were photographed celebrating in Liberty State Park against the backdrop of the first collapsing World Trade Center tower. The celebration came 16 minutes after the first plane struck, when no one knew that there had been a terrorist attack and the episode was assumed to be a horrible accident. The owner of the moving company, Dominik Suter, was questioned once by the FBI before fleeing to Israel. He has since refused to answer questions.

Whether the movers and the art students had jointly pieced together enough information to provide a preview of 9/11 remains hidden in intelligence files in Tel Aviv, but the proximity of both groups to 15 of the hijackers in Hollywood, Florida and to five others in northern New Jersey is suggestive.

Speculation about 9/11 aside, it is certain that Urban Moving was involved in an intelligence-collection operation

against Arabs living in the United States, possibly involving electronic surveillance of phone calls and other communications. When they were arrested, the five Israelis working for Urban Moving had multiple passports and nearly \$5,000 in cash. They were held for 71 days, failed a number of polygraph exams, and were finally allowed to return to Israel after Tel Aviv admitted that they were Mossad and apologized.

Between 55 and 95 other Israelis were also arrested in the weeks following 9/11, and a number were reported to be active-duty military personnel. The FBI came under intense pressure from several congressmen and various pro-Israel groups to release the detainees. The order to free them came from Judge Michael Mukasey, now the U.S. attorney general. An FBI investigator noted, “Leads were not fully investigated” due to pressure from “higher echelons.” According to one source, the White House may have made the final decision to terminate the inquiry. Though the investigation could have gone much farther, the FBI identified two of the Weehawken movers as Israeli intelligence officers and confirmed that Urban Moving was a front for Mossad to “spy on local Arabs.” One CIA officer involved in the investigation concluded, “The Israelis likely had a huge spy operation.”

In May 2004, there were two incidents involving Israelis in moving vans in proximity to U.S. nuclear facilities. One occurred in Tennessee near the Nuclear Fuel Services plant, which reprocesses nuclear waste from hospitals. The van was pursued by the local sheriff for three miles after refusing to pull over. The two fleeing Israelis, who threw a bottle containing an accelerant, had in their possession Israeli military ID’s and false U.S. documents. In the second incident, two movers in a van tried to enter the Kings Bay Naval Submarine Base in Georgia, which is home to eight Trident nuclear submarines, but were arrested when

dogs detected drugs inside their vehicle. The men had military ID’s and false documents. There was no follow-up by the FBI even though both incidents were reported to federal authorities.

There have also been reports of intensive targeting of U.S. government facilities overseas. In late 2001, State Department security noted a series of incidents at diplomatic missions and military bases, all involving Israelis. It described many of the incidents as “bizarre.” In one instance, French police arrested several Israelis at 2 a.m. after they were observed taking numerous photos of the U.S. embassy in Paris. As it was dark, their behavior was unusual to say the least—or perhaps not since it was revealed that the Israelis were using infrared film to detect communications equipment in the embassy.

In August 2004, the media discovered an FBI investigation, begun in 1999, involving Pentagon intelligence analyst Larry Franklin. He had openly met Israeli Embassy intelligence officer Naor Gilon as well as two AIPAC officials, director Steve Rosen and chief analyst Keith Weissman. He pleaded guilty in October 2005 to revealing classified information and is now serving a 12-year prison sentence. Rosen and Weissman are currently on trial. If the prosecution is correct, Franklin passed classified information relating to Iran to both AIPAC employees, who in turn provided the information to the Israeli Embassy. The defense has argued that such exchanges are routine in Washington, particularly between close allies such as Israel and the U.S., but that is a dubious reading of events. Passing classified information and documents is not the same as casual political conversation over a cup of coffee. If Israel had stopped spying on the United States, Gilon should have refused to receive the information provided by Franklin. He might even have gone through offi-



cial channels to report Franklin's activity. He did neither. Nor did Rosen and Weissman object when they received information that they knew to be classified. Instead, they passed it on to the Israelis.

In June 2006, it was revealed that the Pentagon had begun to deny security clearances to American Jews who had family in Israel. Israelis seeking security approval to work for American defense contractors were also finding it increasingly difficult to obtain clearances. A Pentagon administrative judge overruled an appeal by one of the Israelis, stating, "The Israeli government is actively engaged in military and industrial espionage in the United States. An Israeli citizen working in the US who has access to proprietary information is likely to be a target of such espionage."

Israel conducts much of its high-tech spying through its corporate presence in the United States. It is heavily embedded in the telecommunications industry, which permits access to the exchange of information. The Whitewater investigation revealed that President Bill Clinton warned Monica Lewinsky that their phone-sex conversations might have been recorded by a foreign government. That foreign government would have been Israel, where government and business work hand-in-hand in the high-tech sector, and many former government officials and military officers hold senior management positions. The corporations, in return, receive large contracts with the Israeli government and the Israel Defense Forces.

Two Israeli companies in particular—Amdocs and Comverse Infosys, both of which are headquartered in Israel—do significant business in the United States. Amdocs, which has contracts with the 25 largest telephone companies in the U.S. that together handle 90 percent of all calls made, logs all calls that go out and come in on the system. It does not record

the conversations themselves, but the records provide patterns, referred to as "traffic analysis," that can provide intelligence leads. In 1999, the National Security Agency warned that records of calls made in the United States were winding up in Israel. Amdocs also has an apparent relationship with some of the art students who were arrested in 2001. Several were provided with bond money by an Amdocs executive.

Comverse Infosys provides wiretapping equipment to law enforcement throughout the United States and also has large contracts with the Israeli government, which reimburses up to 50 percent of the company's research and development costs. Because equipment used to tap phones for law enforcement is integrated into the networks that phone companies operate, it cannot be detected. Phone calls are intercepted, recorded, stored, and transmitted to investigators by Comverse, which claims that it has to be "hands on" with its equipment to maintain the system. Many experts believe that it is relatively easy to create a so-called "back door" that permits the recording to be sent to a second party, unknown to the authorized law-enforcement recipient. And Comverse equipment has never been inspected by FBI or NSA experts to determine whether the information it collects can be leaked, reportedly because senior government managers block such inquiries.

According to a Fox News investigative report, which was later deleted from Fox's website under pressure from various pro-Israel groups, DEA and FBI sources say that even to suggest that Israel might be spying using Comverse "is considered career suicide."

A number of criminal investigations using Comverse equipment have apparently come to dead ends when the targets abruptly change their telecommunications methods, suggesting at a minimum

that Comverse employees might be leaking sensitive information to Israeli organized crime.

The chickens occasionally come home to roost. In 2002, Israeli espionage might have been directed against the U.S. Congress, which has so assiduously ignored Tel Aviv's spying. Congressman Bob Ney, currently in prison for corruption, arranged a noncompetitive bid for the Israeli telecommunications company Foxcom Wireless to install equipment to improve cellphone reception in the Capitol and House office buildings. Foxcom, based in Jerusalem, has been linked to imprisoned lobbyist Jack Abramoff. Telecommunications security experts note that equipment that can be used to enhance or improve a signal can also be used to redirect the phone conversation to another location for recording and analysis. The possibility that someone in the Israeli Embassy might be listening to congressmen's private phone conversations is intriguing to say the least.

Some might argue that collecting intelligence is a function of government and that espionage, even between friends, will always take place. But the intensity and persistence of Israeli spying against the United States is particularly disturbing since Israel relies so heavily on American political and military support. Other allies like Britain, France, and Germany undoubtedly have spies in Washington, but there is a line that they do not cross.

Given the stakes involved, it would be reasonable for the United States to quietly offer Israel's leaders a choice. They can continue to receive billions of dollars in aid, or they can persist in spying against their greatest benefactor. They should not be permitted to do both. ■

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*Philip Giraldi, a former CIA Officer, is a fellow at the American Conservative Defense Alliance.*

# Diplomatic Games

The Olympics proved to be a poor political lever, but now President Bush is boxed.

By Nikolas Gvosdev

SHOULD PRESIDENT George W. Bush attend the 2008 Beijing Olympic Games, even in his capacity as a “sports fan”? In the aftermath of the protests that have recently convulsed Tibet, as well as the series of vocal demonstrations against a variety of Chinese policies that accompanied the Olympic torch rally, most U.S. politicians—including Bush’s prospective successors—have urged the president to reconsider.

One small problem. This discussion is half a year too late.

The president played his hand last fall when he met the president of the People’s Republic of China, Hu Jintao, in Sydney, Australia. Whether we like it or not, we have to live with the consequences that flowed from that encounter. Political posturing and symbolic gestures won’t help.

It didn’t have to turn out this way. But the president is trapped, his freedom to maneuver constrained, because he and his advisers bought into the “Olympics fallacy.” He is further hemmed in by the consequences of the laissez-faire attitude of much of the U.S. foreign-policy establishment to the rise of China, the squandering of U.S. power around the world on ill-advised crusades, longstanding American guilt over complicity in the fate of Tibet, and intolerance in Beijing for the American predilection for showy political gestures.

Understanding this is critical to accepting why, between now and when the Games begin on 8/8/08, there is no happy ending to the Olympics saga—only varying degrees of damage control.

Bush is not alone. Across the world, leaders face a choice: attend the “Genocide Olympics”—as they have been labeled by activists—and be seen as sanctioning Beijing’s misdeeds or boycott the event and risk drawing Beijing’s ire. French President Nicolas Sarkozy has accepted Hu’s invitation on the condition that a meaningful dialogue be undertaken between Beijing and the Dalai Lama over Tibet. Angela Merkel of Germany has taken a different tack, declining the Olympics invitation but promising to make a state visit to China later in 2008. Such efforts smack more of tactical maneuvering than attachment to principle.

Even at the best of times, Western leaders have found it difficult to navigate between idealistic rhetoric about promoting human rights and maintaining good ties with a rising China. A tenuous balance could be sustained as long as contentious issues such as Tibet, the fate of political dissidents, and the treatment of religious minorities could be kept off the front pages. But the Olympic Games have given all those with grievances against the PRC a global platform to press their causes. It is now more difficult for governments to claim that continued engagement with China preserves critical economic ties with Beijing while encouraging the PRC to take greater steps to liberalize its domestic system.

It was always very apparent that for the Chinese government the Beijing Olympics weren’t just an international sporting event. They were to be a cele-

bration to mark China’s arrival as a major global power and, some 60 years after the creation of the People’s Republic, to legitimize the path of development taken by the Chinese Communist Party.

It was a mistake for others to play into that assessment. From the moment the Games were awarded in July 2001, we began to hear how China’s desire not to lose face at the Olympics provided the West with a largely cost-free way to induce Beijing to change various objectionable domestic and foreign policies. We could agree to participate in Beijing’s show, then threaten to leave and use this threat as leverage with the PRC.

To an extent, this worked. On a number of small issues, such as instituting a smoking ban at Olympic venues, Beijing was prepared to accommodate Western desires. On some foreign-policy issues, the PRC took steps—some symbolic, some real—to address concerns about its activities in places like Sudan. Even on such a sensitive issue as Tibet, Beijing has realized it needs to make accommodations to international concerns. But there are limits.

China argues that by pursuing policies of rapid economic development it has expanded the zone of personal freedoms for hundreds of millions of Chinese, and this is a tremendous human-rights achievement for which it has received little credit. But Beijing has little interest in liberal political reform. Moreover, with the Maoist-era slogan *sulian de jintian jiu shi women de mingtian* (“the Soviet Union’s today is China’s tomorrow”) having taken on a

new and ominous meaning since the collapse of the USSR, the PRC's leadership is determined not to follow a similar course by giving greater autonomy and freedom to the country's minority nationalities. They would prefer to see Steven Spielberg resign as the Games' artistic director and Nicolas Sarkozy absent from the opening ceremony than take steps that might fundamentally compromise their regime.

Western leaders, including President Bush, might have avoided some of the difficulties they now face if very early on they had declined Hu's invitation. They could have done so politely and without causing Beijing undue embarrassment by citing the lack of precedent for heads of state to attend the Olympics as official guests. Ronald Reagan never had any plans to attend the 1988 Seoul Olympics, even though those Games were of immense symbolic importance to a long-standing U.S. ally keen to demonstrate that it had become part of the developed world.

But Hu's invitation was seen as a card that could be played to persuade China to make changes. The problem for Western leaders in particular was that they could never reconcile their various domestic constituencies with their differing demands on Beijing. Initially, the focus was on using the Olympics to secure greater freedom for Chinese civil society, including the press, religious groups, environmentalists, and labor activists. Then attention shifted to the plight of Darfur (and to a lesser extent Burma). Now the cause of the Tibetans has taken center stage.

It was a risky gamble to use attendance at the Games as a card when the litany of complaints was so wide-ranging. The safest course of action is not to play the game, but once you start, you have to see your hand through. And the U.S. has a particularly weak hand these days vis-à-vis China.

For the last 15 years, the U.S. has permitted the development of a deeply interdependent economic relationship with China—akin to America's long-standing ties with Europe—without creating the political framework that could manage contentious issues that might arise in the bilateral relationship. The U.S. assumption that increased economic ties would give China a stake in upholding the U.S.-led international order was true, but only to a point. Interdependence has not meant that Beijing automatically sees things Washington's way. Indeed, China believes its growing strength means that it does not have to accommodate every U.S. preference but that the relationship should be grounded on a series of quid pro quos. Chinese leaders expect support on a given issue to be matched by recip-

and European countries to seek opportunities in Iran themselves. Washington lacks the power to unilaterally cut Iran—or almost any country—out of the mainstream of the global economy. Horse-trading with Beijing is becoming the norm.

Should presidential attendance at the Beijing Olympics have become part of the bargaining in the Sino-American bilateral relationship? Not necessarily. But the stakes were raised once Tibet was added to the mix.

The United States has a long history of subordinating Tibetan aspirations to its overall China policy. William Woodville Rockhill, the U.S. representative to the Manchu Empire, was very sympathetic to the claims of Tibet to be an independent state, but he was also instrumental in getting the 13th Dalai

### **CHINA BELIEVES ITS GROWING STRENGTH MEANS THAT IT DOES NOT HAVE TO ACCOMMODATE EVERY U.S. PREFERENCE.**

rocal American consideration of Beijing's interests. The problem is that many Americans are uncomfortable with any notion of trade-offs with China, especially if it means downplaying democracy and human rights.

Moreover, over the past two decades, China has become more of a global player. In 1990, for instance, the U.S. needed only a Chinese abstention in the UN Security Council to permit the resolution authorizing force against Iraq to move forward—a modest request. Now it is difficult to conceive of solutions to any of the world's most pressing problems that do not require active co-operation from Beijing.

Take Iran. In the past, the U.S. could much more easily forego Chinese support to bring pressure to bear on Tehran. Today, U.S. efforts run up against China's growing economic links to Iran, which in turn have provided cover for other Asian

Lama, in 1908, to agree to recognize Chinese suzerainty—in part because the U.S. was anxious to prevent the breakup of China between the imperial powers. During the 1930s and '40s, that consummate American realist, Franklin Delano Roosevelt, and his State Department played semantic games. House Speaker Nancy Pelosi is fond of referring to the watch that was a gift from FDR to the current Dalai Lama (which he still wears), but perhaps she would be better served by reading some of the president's correspondence, in which he addressed the Dalai Lama as a "pontiff" and head of a "church" rather than as a leader of a political entity. This was done to sidestep the question of Tibet's relationship to China and happened at a time when China was an ally of Washington and very dependent on American aid in its fight against the Japanese and later the Communists. If Washington was



unwilling to insist on settling Tibet's final status then, when it possessed this degree of leverage over China, it is difficult to see what the United States might think it could achieve today.

When Maoist China was an implacable foe of the United States, Tibet was a "captive nation"—although, bizarrely, Public Law 86-90 blames Tibet's occupation on Russia—and the U.S. supported the Tibetan Khampa warriors in their struggles against the Chinese. When the PRC became a strategic partner of Washington in order to balance the Soviet Union, Tibet was part of a single, indivisible China—as the State Department made clear in 1978. Now the United States insists that all it wants for Tibet is "autonomy," but Washington's credibility on this score has diminished as a result of the Kosovo affair and the manner in which the United States and the Europeans sidestepped UN Security Council Resolution 1244.

There is, however, a lingering sense of guilt that the United States has never really stood for a "Free Tibet," to use the slogan of the activists. For decades, American politicians have sought to assuage their consciences with a series of largely symbolic measures, such as designating Tibet an "independent country" in 1986 in terms of the Export-Import Bank or recognizing, in 1994, the Dalai Lama and his government in exile as the "true representatives of the Tibetan people."

In the past, many countries understood that these symbolic statements—as well as measures such as government funding for broadcasts—were the necessary price of doing business with the United States. But tolerance for such actions has been decreasing in recent years, with some states even prepared to penalize critical U.S. economic or security interests in retaliation. Witness Turkey's hardball approach to the Armenian genocide resolution. (On a side note: perhaps it is time for Ameri-

can politicians to consider George Washington's advice that the job of government officials is to "avoid offence to powers with whom we are in friendship" while it is the right and obligation of private citizens—what we might today term civil society—to give expression to the sentiments of the country.)

The decision to award the Dalai Lama a Congressional gold medal, the highest civilian award bestowed by Congress, and then to hold the ceremony in the fall of 2007, with a specific eye to playing the "Olympics card," raised symbolic activity to a new level. A Congressional staffer was quoted saying the timing of the ceremony was not accidental since there was "a whole range of things that China could be doing to enhance its image in the eyes of the world as the Olympics approach." It also forced the Bush administration to try to find some way to balance Beijing's predictably negative reaction. Early acceptance of Hu Jintao's invitation to the president to attend the Games seemed like a good option.

So when President Bush met President Hu on the sidelines of the APEC Summit in Sydney on Sept. 6, 2007, talks Hu described as "candid and friendly," there was a full agenda of issues—trade matters, North Korea, Iran, Sudan, and the visit of the Dalai Lama. President Bush left the meeting saying he was "anxious to accept" the invitation to attend the Olympics. Over the next several months, China moved closer to American positions on a range of issues, including passage of a third sanctions resolution against Iran. In February, Andrew Natsios, Bush's former special envoy to Sudan, was quoted as saying, "China in my view has been very cooperative. The level of coordination and cooperation has been improving each month." Beijing did, of course, issue a protest against the Congressional ceremony for the Dalai Lama, but otherwise its reaction was muted.

No one spoke of an overt quid pro quo arrangement, but it is difficult to escape the conclusion that the Olympics card was played in Sydney. As the *New York Times* editorialized on Sept. 15, 2007, "Mr. Bush was right to agree, although we wish he had played a lot harder to get. ... We suspect that Mr. Bush might have gotten even more leverage if he had put off his acceptance until closer to the games." But the president didn't, and much of the Congressional criticism at that time focused on the situation in Sudan, not Tibet.

There is a lot of spilled milk at this point. George W. Bush could have said that sitting U.S. presidents don't attend the Olympics in foreign lands. Congress could have delayed the ceremony for the Dalai Lama until after the Olympics. But none of this helps us now. Some will argue that the president needs to continue to "play the card" in order to start meaningful dialogue on the Tibet issue. Others will maintain that since the PRC isn't going to move in any significant way on human rights, Sudan, or Iran, Bush should abandon his plans to attend. They will say that China is not going to burn its own vital interests in maintaining its economic relationship with the U.S. to assuage any "loss of face." But there is no easy, cost-free way out.

A realist wouldn't have gotten into this mess in the first place. This realist's advice? That depends on what the president told Hu Jintao. If Bush feels that China has done what he asked for in Sydney, then he should honor his commitment, no matter the domestic U.S. political fallout. If Beijing has been remiss, then he should be just as clear. But the credibility of the United States—and the future of the Sino-American relationship—will be imperiled if we cannot be trusted to keep our promises simply because they've become inconvenient. ■

*Nikolas Gvosdev is the outgoing editor of The National Interest.*

# Play the Hand You're Dealt

"GIVE ME A BREAK. This whole thing is the biggest fairy tale I've ever seen." So said Bill Clinton in New Hampshire of Obama's claim to have been a constant opponent of the war. Clinton cited Obama's voting record, which was the same as Hillary's in his early Senate years.

For this, Clinton, designated by Toni Morrison as "our first black president," was charged with playing the race card. He spent days explaining the "fairy tale" remark.

Then came the morning of the South Carolina primary, where Barack was rolling up a smashing victory. Bill volunteered, "Jesse Jackson won in South Carolina, twice, in '84 and '88. And he ran a good campaign, and Senator Obama's running a good campaign." That broke it. Bill Clinton was openly "playing the race card."

Now, undoubtedly, Clinton was trying to diminish the importance of the South Carolina vote. But why is it racist to say what Clinton was implying: that in a Southern state where a huge share of the Democratic vote is African-American, a strong black presidential candidate can be expected to do well? Political history proves this. What is racist about saying it? Aware of the truism, every political analyst was looking closely at the racial breakdown of the South Carolina vote.

Then came Hillary's turn. After her victory in Indiana and loss in North Carolina, which pundits said rang down the curtain on her presidential bid, she advanced an argument candidates have used since primary elections began. "I can win—and my opponent can't." The argument was made against Goldwater, Nixon, and Reagan.

In an interview with *USA Today*,

Hillary argued that the coalition she has put together would be stronger against John McCain than the coalition Barack has cobbled together.

She began by relating an AP article "that found how Sen. Obama's support among working, hard-working Americans, white Americans, is weakening again, and how whites in both states who had not completed college were supporting me."

"There's a pattern emerging here," said Hillary. "I have a much broader base to build a winning coalition on."

This shot Eugene Robinson of the *Washington Post* into low orbit. "As a rationale for why Democratic Party super-delegates should pick her over Obama, it's a slap in the face to the party's most loyal constituency—African Americans—and a repudiation of principles the party claims to stand for. Here's what she's really saying to party leaders: There's no way that white people are going to vote for the black guy. Come November, you'll be sorry. ... Clinton implies, but doesn't quite come out and say, that Obama is black—and that white people who are not wealthy are irredeemably racist."

But Hillary was saying no such thing. Describing her coalition, she was implying that Obama's coalition—a George McGovern-Jesse Jackson combine embracing 90 percent of African-Americans, plus liberals, students, and cause people—has less chance of beating McCain than does she and her more Middle American coalition.

Has she no right to make this argument? Can Robinson explain exactly how Hillary can describe her Ohio-Pennsylvania coalition without using the dread word "white"?

Some of the reaction to the Clintons, whose once universal support among African-Americans has crashed, is due to the immense stake black Americans have come to invest in the Obama candidacy. But some of this is more sinister.

Bill and Hillary Clinton are not playing a race card. Rather, the liberal media and some black journalists with sentimental, emotional, or ideological investments in Obama are playing the intimidation card. They are setting limits around what may and may not be said. They are seeking to censor robust adversarial speech, where Barack is concerned, by branding as racists any who make Barack run the same paces as anyone else.

The Clintons are today victims of a double standard that has long been employed against conservatives.

Even African-Americans critical of Obama are feeling the lash. In a recent *Washington Post* article, "Black Community Is Increasingly Protective of Obama," reporter Darryl Fears writes, "Standing in the path of Obama's campaign has been dangerous" for prominent blacks.

Bill and Hillary Clinton have lost luster and sustained damage to their reputations because, in the Democrats' universe, such smears stick. The question for Republicans is whether they will let themselves be intimidated, as they too often are, from using legitimate political weapons to defend what they still have.

It is thus a sign of trouble ahead that John McCain declared Reverend Wright off limits and berated the North Carolina GOP for bringing him up. Let your adversaries circumscribe the content of your campaign, and you usually end up losing. ■

# Bernanke's Bind

The Fed chairman is in the impossible position of trying to raise the price of real estate while lowering the costs of food and fuel.

By Nicholas von Hoffman

YOU MAY BE ABLE to go up the down escalator or you may be able to go down the up escalator, but until now nobody has been able to do both at the same time, which is what the U.S. is attempting.

The United States is struggling to hold down the price of gasoline and bread as it uses its artifices and devices to lift the price of housing, not to mention propping up the stock market. The greatest of prestidigitators would be hard pressed to deflate and inflate the same balloon simultaneously, and such accomplished masters of legerdemain are seldom found running the major financial organs of the U.S. government.

Even when there is no inflation or deflation, prices fluctuate. Under those circumstances, prices, taken together, would be flat on average even as the prices of individual goods and services bobbed up and down. But what's going on today is no tame bobbing. We are looking at an economy at war with itself. On one side is an inflationary cyclone propelled by oil prices. On the other, a deflationary hurricane making money vanish by the billions as it roars downward into a chasm whose bottom we cannot see. Tried and true remedies seem to intensify the storm. The measures taken in hopes of stemming the housing rout supercharge inflation, and the measures needed to stop rising prices intensify the mortgage market calamity.

The downward struggle is at its fiercest over mortgage foreclosures. The more foreclosures, the more the price of

housing drops. And the more home prices fall, the less the bonds issued to pay for the mortgages are worth, and the closer the nation's distressed financial institutions come to bankruptcy. Hence Ben Bernanke, the chairman of the Federal Reserve Board, speaks of "the foreclosure crisis."

Crisis is not a word that trips lightly off the tongue of a Fed chairman. In the highly spookable world of money, Fed chairmen, secretaries of the Treasury, and such are given to soothing murmurs, as though they were horse-whispering into the ear of a skittish Kentucky Derby winner. These guys do not shout fire even when the barn is ablaze.

The cause of Mr. Bernanke's fear is obvious when he lays out the salient facts as he knows them:

About one quarter of subprime adjustable-rate mortgages are currently 90 days or more delinquent or in foreclosure. Delinquency rates also have increased in the prime and near-prime segments of the mortgage market, although not nearly so much as in the subprime sector. As a consequence of rising delinquencies, foreclosure proceedings were initiated on some 1.5 million U.S. homes during 2007, up 53 percent from 2006, and the rate of foreclosure starts looks likely to be yet higher in 2008.

Should foreclosures continue to grow at the same rate as last year, three mil-

lion properties will be going under the auctioneer's hammer before 2008 is over. Not all of them will be owner-occupied, but the dumping of that many houses on a real-estate market already heavily overhung with inventory must push prices below today's levels.

So even some of those who look on people who default on mortgages as cheats or losers believe they have an immediate material interest in having the government prevent foreclosures, if that's what it takes to stabilize real-estate prices and start pushing them back to a point where the debt on residential housing is no longer greater than what houses are worth on the open market.

To drive those prices back up, the Fed and other government entities have been resorting to a variety of tricks, none of which has worked spectacularly well so far. Price control or price manipulation has a mixed record to say the least.

Price controls are associated with keeping prices down, but it is price control nevertheless when the object is to stop prices from falling. The single most concerted attempt to do that can be found in the passage of the National Recovery Act of 1933. The bill, reluctantly signed into law by Franklin Roosevelt, but backed at that desperate moment by almost everyone, authorized the creation of industry councils that had the power to set the minimum price at which something could be sold. The



results were an ungodly mess from which the Supreme Court mercifully delivered the country.

More recently, Alan Greenspan, Fed chairman emeritus and archetypical idiot savant, was seized with a premonition in the first years of this decade that prices were collapsing under a deflationary riptide. Rushing to the rescue with interest-rate cuts and large quantities of new money, he successfully triggered what became the explosive housing bubble of 2007.

Greenspan's successor, Ben Bernanke, has discovered that nothing is automatic. Employing the tools his predecessor used to lift prices and other tools of his own invention, Bernanke is finding out that, though he is contributing to the vertical take off in oil prices, he has had no luck with housing or the stock market. No method has yet been devised to manipulate markets so that you get to pick what goes up and what goes down.

THE MORE MONEY BERNANKE PUTS OUT TO FIGHT OFF THE **COLLAPSE OF HOUSING PRICES**, THE MORE HE **WEAKENS THE PURCHASING POWER OF THE DOLLAR**, WHICH IN TURN RESULTS IN **HIGHER PRICES FOR OIL—AND A LOT OF OTHER THINGS**.

Not that Congress isn't trying. The air on Capitol Hill is heavy with proposals to, if not ameliorate the price of oil, at least reduce voter ire. Gas-tax holidays and the suspension of oil purchases for the Strategic Petroleum Reserve may give constituents the impression that Congress is about the work of lowering oil prices, but they will not see results at the pump. Republicans have renewed the endless argument about drilling in the Alaska National Wildlife Refuge, where there may or may not be a large amount of oil and, in any case, it would be years before it found its way to filling stations. The debate serves to underscore

congressional powerlessness to control prices by measures short of rationing, a method last used 60 years ago during the Second World War.

The contradiction facing those who seek to lower prices is that the more money Bernanke puts out to fight off the collapse of housing prices, the more he weakens the purchasing power of the dollar, which in turn results in higher prices for oil—and a lot of other things.

Bernanke knows this. He is not a perversely obdurate man but one who is terrified at what might happen if housing prices continue to drop, since so many financial instruments are directly or indirectly affected by what happens with those mortgages, both the prime and not so prime. Entities as distant as drudgy, dependable municipal bonds can rise or fall on what happens with housing. Many municipal bonds, used to finance such exciting projects as street lights and storm sewers, are dependent

on real-estate tax revenue expected from particular subdivisions. Thus, if the homeowners default, there may not be enough taxpayers left to pay the interest on the munis.

But municipal bonds aren't keeping Bernanke up at night. He is looking at the monsters of the Wall Street depths—financial arrangements with ugly names like credit default swap.

This kind of swap is a form of insurance dreamt up in the early 1990s for real-estate bond buyers to ensure that they got their money back in the event that the bonds defaulted. The market for credit default swaps now exceeds \$45 trillion, more than the combined value

of every residence in the United States. What started out as a sensible insurance mechanism has turned into speculation dwarfing the annual handle of all the casinos in the world.

Hanging in the air over lower Manhattan is what may happen if housing prices continue to fall, the bonds backing the mortgages on the foreclosed housing go into default, and those who sold the swaps aren't able to come up with enough money to cover the losses. Maybe the trillions of dollars in commitments get worked out some way or another, or maybe, faster than the Fed chairman can get to his office to stop it, the system implodes into something the size of a billiard ball.

Neither Bernanke nor anyone else knows if the swaps—or other financial instruments similar in size and risk—will collapse. Bernanke is a long-time student of the 1929-1934 catastrophe, when the absolute worst did happen. To forestall a repetition, he has taken a number of actions the legality of which some people question. But if not he, who? And if not that, what?

For all it has done in the face of the crisis, Congress might as well be a bathtub toy boat with a broken rudder. The White House has more important business to take care of, which leaves Bernanke and the Fed.

What he has done so far may work out. If it doesn't, we shall all know soon enough. In the meantime, no one else has a plan. Everybody senses the danger, and no one can say how to escape it.

Escape it we may, but if we do, it will be by luck and muddle. ■

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*Nicholas von Hoffman is a former columnist for the Washington Post and Point-Counterpoint commentator for CBS's "60 Minutes." He is the author of many books including, most recently, Hoax.*

# Smart Money

Political futures markets are better predictors than polls.

**By Michael Brendan Dougherty**

IN NOVEMBER 2004, a man with half a million dollars was looking to double his money. He could have gone to a high-stakes table in Vegas. He could have put his money in a hedge fund and waited. Instead, he signed on to a Dublin-based website, Intrade, the night before the presidential election and put everything on George W. Bush, then running even with John Kerry. The next morning, he was a millionaire.

Carl Wolfenden, the acting exchange manager of Intrade, explains the logic of prediction markets: "Our members sign up and trade with the intention of making money. One of the byproducts of that, the pricing information that they generate, translates into probability. The market pricing is measuring the probability of uncertain future events." The results are eerily accurate.

Tens of thousands of people bet money on who would win each state in the 2004 general election, and Intrade's political futures market predicted the winner in all 50. Two years later, the Intrade favorite won every single Senate race. Investors, or, if you prefer, gamblers, were generating political predictions far more accurate than professional pollsters'. They were also winning and losing piles of money.

But the political prediction markets didn't begin with high-rolling political junkies. They started with a few dozen college students. In 1988, the University of Iowa business school opened the Iowa Electronic Markets as an experiment. They allowed anyone to buy contracts based on how they

thought a given candidate would do in an upcoming election. The market developed a price per share. If the market moved Candidate A's price up to 50 cents a share, it was saying that Candidate A had a 50 percent chance of winning.

"We collected almost 1,000 polls that came out during the election cycles, and compared the poll prediction to the IEM prediction," says Professor Joyce Berg, "and in 75 percent of cases the IEM was closer to the actual outcome than the polls were." One study showed that IEM's prices on the eve of an election were off by an average of just 1.37 percent.

Berg says that the people trading are nothing like a random sample of voters. "In 1988, everyone was from Iowa, and we only had 155 people in the voteshare market. Even now, when we have thousands of people in each market, we are not distributed among states by population. Our traders are overwhelmingly male. They have more education than the average voter. They have a higher income than the average voter. But the market mechanism is one where we don't need a random sample of voters, we need people with information." In other words, a large representative sample of the electorate cannot accurately predict its own behavior when asked a simple question. But a group of students betting their spring break money can.

The IEM limits its traders to accounts between \$5 and \$500 in order to avoid a crackdown by the government. Those

who want to make larger wagers have to go overseas and deal with Intrade. The Internet Gambling Enforcement Act of 2006 prohibits American banks from making credit-card payments to offshore gambling sites. The only Americans betting on Intrade have offshore accounts and use foreign addresses. If Wolfenden set foot on U.S. soil, he would probably face arrest and prison. But the exchange he runs is the most hailed prediction market worldwide.

This year, over 50,000 contracts were bought on the New Hampshire primary, and so far 2 million contracts have been purchased on the Democratic nomination. Clinton's futures were more highly valued than Obama's even after a string of Super Tuesday defeats. But once news broke that Clinton was lending her own campaign money, Obama's price surged ahead in both the IEM and Intrade.

There was almost as much interest in Republican outcomes. Those poor souls who were bullish on Fred Thompson either sold short or stayed in their bad position, losing everything. But one couple gained a small fortune. Last summer there seemed to be no chance that John McCain would be the nominee. His amnesty bid backfired, his poll numbers in Iowa plummeted, and he couldn't raise any money. His price on Intrade dipped below 5 cents a share. But one trading duo, Bethen and Jonathan, saw an opportunity. If McCain won the nomination, each share they bought for a little under 5 cents would pay a dollar. Already

they've seen their investment increase in value by a factor of 19. Barring any dramatic developments between now and the convention, the pair will be tens of thousands of dollars richer.

The small trend of prediction markets officially became a phenomenon when James Surowiecki included them in pop-economics bestseller. A financial journalist for *The New Yorker*, Surowiecki landed on the lists with *The Wisdom of Crowds* in 2004. He touted sociological studies showing that a group of people guessing the number of jellybeans in a jar was almost always more accurate than any one single person. In case after case, crowds of people in the free market could aggregate and organize information like nothing else. Surowiecki promoted the Hollywood Stock Exchange (which only uses play-money) as the most accurate predictor of box-office receipts. He named the IEM and Intrade as the best sources for political predictions, saying, "a decision market's fundamental characteristics—diversity, independence, and decentralization—are guaranteed to make for good group decisions." Prediction markets weren't just a fun trend in gambling, they represented a big idea: mobs can be more clever than individuals.

But there are some anomalies in prediction markets. Al Gore's prices in the 2008 Democratic nomination markets were higher than announced candidates like Bill Richardson and Chris Dodd. As late as last fall, he had a one in five chance of taking the nomination, though he wasn't running. Wolfenden explains, "There seems to be a group of traders who are Al Gore fans. Some of them are still holding out the possibility that he may be the Democratic nominee." Gore's inflated stock reflects a similar phenomenon in sports. A Giants line can almost never be trusted because there are so many New York football fans who feel they can't bet against the home

team. Intrade's clients, made up of foreigners and rich, college-educated American males who have offshore accounts, have serious man crushes on Gore.

Despite small blips like this, high-ranking officials may want to periodically check in on their job security. As the 2006 Congressional election approached, rumors that Secretary of Defense Donald Rumsfeld was on his way out had died down, so his resignation the day after the election shocked the major news media. If network executives had checked the predictions markets, they would have seen traders bid Rumsfeld's departure up by several factors in the 24 hours before he resigned.

Intrade takes investments on more than political outcomes. High-volume traders make several thousand dollars a day betting on whether American financial markets will finish up or down. The market also allows people to bet on whether Scooter Libby will receive a

or apocalypse," Wolfenden reports. How Intrade would pay out if the apocalypse occurred was not specified.

Prediction markets also furnish us with a prospectus for peace. The numbers are grim. There is only about a 5 percent chance of Hamas recognizing the right of Israel to exist by Sept. 30. And according to market wisdom, America is nearly twice as likely to "launch overt military action against North Korea" by New Year's. A second Korean War would probably rate higher if the Bush administration weren't rattling its sabers at Tehran. Traders are giving war with Iran a one in five chance by the close of the third fiscal quarter. And investors are not bullish on the chances of catching Osama bin Laden. Wagers on his capture by 2009 are trading at just over a dime.

Those who have qualms about betting on war and peace still have the more conventional 2008 horserace. Jim Webb is trading in the vice presidential mar-

TRADERS ARE GIVING **WAR WITH IRAN A ONE IN FIVE CHANCE** BY THE CLOSE OF THE THIRD FISCAL QUARTER. AND **INVESTORS ARE NOT BULLISH ON THE CHANCES OF CATCHING OSAMA BIN LADEN.**

pardon by the end of Bush's term (currently trading high at 65 cents a share) or whether the first Category 3 storm of the next hurricane season will make landfall in Florida, Texas, or Alabama. You can even bet on bird-flu. Would Intrade take bets on when the pope will die? Wolfenden says no. "For a proposition to be traded it has to fall within the bounds of good taste. We try not to get into death contracts or that sort of thing." The market's principals don't want to encourage anything untoward, but they do take suggestions. "The craziest one we've been asked for was: 'Jesus to return in next ten years, or Rapture,

kets at almost the same price as Hillary Clinton. But nearly one third of investors have put their money on "the field," believing Barack Obama will choose a relatively unknown candidate. On the Republican side, Minnesota Gov. Tim Pawlenty is the one in five favorite, and Mitt Romney's recent grinning and groveling are moving his veep shares up quickly.

But if the numbers hold, it's doubtful that either will see high office soon. The IEM has the Democratic share of the presidential vote around 50 percent, and the Republican share at 47 percent. The smart money says President Obama. ■



# Admitting Failure

The Armed Forces couldn't man the surge until they lowered standards.

By Kelley Beaucar Vlahos

SGT. THOMAS X. HAMMES knew that, unlike some bad Hollywood movie, the band of thieves, social misfits, even murderers under his leadership would not transform into perfect Marines through some magic formula of tough love and fatherly motivation. Half the men in his platoon needed a swift kick out of the service, not more time in it.

"We kind of got the worst of the guys at the time," said Hammes. "Probably the worst in the history of the Marine Corps."

The year was 1976. Young T.X. Hammes was a platoon leader at one of the most inglorious times in the Corps' proud tradition. The Vietnam War had just decimated the nation's Armed Forces, the draft was gone, and the fabled Third Battalion, 3rd Marines was being infused with new recruits brought in under dramatically reduced standards.

"All the other units dumped their problems on us," Hammes said, recalling the junkies and drunkards, the frequent attacks on officers, even riots. "All that came together primarily because we went to low-quality recruiting. You can't make a silk purse out of a sow's ear now matter how hard you try."

For Hammes, now a retired colonel, and others with long memories, today's military looks a lot like that of 1976. Even more alarming, contrary to predictions that the Army is breaking under the strain of protracted war, most experts say it can continue operating as is—though it will resemble no military we might recognize or be proud of.

In January 2007, the Bush administration announced a new strategy, a "surge" of troops into Iraq, following a well-cir-

culated counterinsurgency template by American Enterprise Institute fellow Frederick Kagan and now-retired Army Gen. Jack Keane. There were assurances that more "boots on the ground" would lead to some stability in insurgent enclaves, an independent Iraqi national defense, and new legitimacy for the central government—at least enough to justify the phased withdrawal of combat brigades all but mandated by American voters in the 2006 midterm elections.

As Gen. David Petraeus shifted into his role as Olympian front man, the administration did nothing to discourage the emerging "six month" script, known on snarky blogs as "a Friedman," after columnist Thomas Friedman's many declarations that a critical turn in Iraq is just six months away.

First, Petraeus had six crucial months to create "a space" for the surge to work before returning to Congress with a report in September 2007. After those anticlimactic fall hearings, administration cheerleaders like *Roll Call* editor Mort Kondracke said the stainless general had "bought President Bush an additional six months of running room in Iraq." Then, six months later, the April hearings emphasized the surge "success" narrative and drawdown, by Aug. 1, to about 140,000 troops—just above pre-surge levels.

But the real news was the announcement of a "pause" in further force reductions. Meanwhile, no less than 13 National Guard brigades have been called up for deployment in Iraq and Afghanistan from the end of this fiscal year through 2009, ostensibly to replace

active combat and noncombat brigades.

Surge supporters say the strategy accomplished its goal of reducing violence. To what end is still unknown. Stateside, the surge provided the Bush administration and its Republican foot soldiers with a valuable grace period, perhaps until the fall elections. For now, Americans are preoccupied with mortgages and miles per gallon.

But a growing chorus from the highest echelon of the military suggests the surge was an elaborate farce that stuck a multi-billion-dollar Band-Aid on a gaping wound while escalating the disintegration of the Armed Forces.

"The surge, although good for field commanders in Iraq, was a disaster for the Army and Marines, which could only sustain the full increase for about three months," retired Brig. Gen. Kevin Ryan, now a fellow at Harvard's Belfer Center for Science and International Affairs, wrote in the *Orlando Sentinel*. "That's when the realities of 15-month deployments forced a decision to end it."

He told *TAC* more recently, "We cannot replace them out there without a full mobilization, without total access to the reserve and the National Guard. In the situation now, we cannot do that ... we either have to change our strategy or make our Army bigger."

Lawrence J. Korb, former Reagan defense official and retired Navy captain, is less diplomatic. "[Petraeus's] main concern is his strategy," he told *TAC*. "He is putting his interest, which is the battlefield, before the long-term interest of the Army and of the country."

There is little or no flexibility in

today's operational force, which leads many to question what would happen if the global war on terror really went global. At *Slate*, Fred Kaplan recently took inventory of the Army's 43 combat brigades. He counted 16 currently in Iraq and Afghanistan, 20 in "dwell time" between deployments, one in Korea, one in transit, another doing global defense, one for "homeland defense," and the rest unavailable.

"The Army is in a zero-sum state: No more soldiers can be sent to Afghanistan without a one-for-one reduction in Iraq," Kaplan wrote last month. He was responding to talk about sending more troops to Afghanistan to help beat back the Taliban—an idea the Pentagon swiftly kyboshed. (Some 3,200 Iraq-weathered Marines were sent this spring, bringing the total American forces in Afghanistan to 35,000.)

"We really have to get down in Iraq below 15 brigade combat teams for us to consider adding multiple additional brigades to Afghanistan," Pentagon spokesman Geoff Morrell said on May 6. "The president ... would consider the prospect of plussing up in Afghanistan beyond the 34,000 troops that we have there right now, but ... in all likelihood that's going to come... very late in his tenure, if it comes at all under his tenure."

Meanwhile, critics charge that the rigid deployment tempo could be the Army's physical and emotional undoing. The current target for brigade rotations is a 1:2 ratio—one year on, two off. (1:4 is healthiest.) While experts say 1:2 is the dividing line between force sustainability and a force "killer," all accounts put the current scheme closer to a dangerous 1:1 ratio. For the Marines, it's closer to seven months on, seven off.

"Given the current theater demand for Army forces, we are unable to provide a sustainable tempo of deployments for our soldiers and families. Equipment used repeatedly in harsh

environments is wearing out more rapidly than programmed ... overall, our readiness is being consumed as fast as we can build it," Gen. Richard Cody, Army Vice Chief of Staff, told the House Armed Services Committee in April. "I've never seen our lack of strategic depth be where it is today."

Cody plans to retire this summer. He joins a growing line at, or already out, the door. In March, Adm. William Fallon, head of U.S. Central Command, was reportedly nudged into retirement after crossing the Golden Circle too many times. "Fallon has reportedly argued with Petraeus over the issue of how many US troops should remain in Iraq and for how long, citing other threats as a reason to lower troop levels in Iraq and accept an elevated level of risk there," Alex Koppelman wrote for *Salon*.

Moreover, an "identity crisis" in the field is taking its toll. The National Guard and Reserves know all about "cross leveling," the practice of plucking troops from different units to fill gaps in active-duty missions. They also know about being deployed to Iraq to do jobs they were never trained for—like guarding prisoners. "There was no discussion at all. They said move 'em and we moved 'em," said retired Col. Janice Karpinski, who commanded a National Guard brigade providing security for Iraqi prisoners in 2003. She insists that none of her units—one of which was implicated in the Abu Ghraib abuse scandal—was trained for the mission.

In a recent clarion call, *The King and I: The Impending Crisis in Field Artillery's Ability to Provide Fire Support to Maneuver Commanders*, Army Cols. Sean MacFarland, Michael Shields, and Jeffrey Snow are blunt: using field artillery to plug holes in non-artillery missions has left the FA "a dead branch walking"—diminished and possibly unable to engage effectively in the "next war" without immediate intervention.

"If not for stop move/stop loss, attrition for FA Captains would top 17%," the colonels wrote. "The rationale that we heard most often in our discussion with our own departing officers is a lack of job satisfaction. In other words, they didn't sign up for motorized infantry, transition team membership, 'in lieu of' transportation units, detainee camp guards, or any other of a number of hole-filler duty descriptions. They wanted to be artillery officers and ended up being anything but." This frustration only compounds the stress from the force-wide problem of "repeated deployments," they added.

"[The tempo] is continuing to wear down the Army to the point of exhaustion," said Lt. Col. Gian Gentile, who during his second tour in Iraq commanded a cavalry squadron in the 4th infantry division. That's why a disproportionate number of junior and field-grade officers have been leaving the service, he told *TAC*. Despite steady retention figures on the books, he said, the Army's best and brightest—particularly junior and field-grade officers—are quitting out of weariness, disgust, or desire to raise families. After two or three combat tours, he added, "you can't question their patriotism."

An annual shortfall of 3,000 captains is expected as the Army and Marines ramp up with new personnel over the next few years. Furthermore, "very good people" are leaving, according to Hammes, and the Army has had to rush promotions to compensate. Non-commissioned officers—men and women who work closest with soldiers in training, discipline, and on the battlefield—are being ripped from that invaluable role and hurried through Officer Candidate School. "It means people with combat experience but with no broader experience are being promoted very rapidly just to fill the gaps," said Hammes. By April 1, 610,877 of the 1.7 million military personnel who have served in Iraq or Afghan-

istan had done more than one tour. Korb points out that all but one combat-ready Army brigade have been deployed at least once, while 13 have been deployed twice, 19 have done three tours, and six have gone four times.

In his outline for the surge strategy, "Choosing Victory: A Plan for Success in Iraq," Frederick Kagan dismissed suggestions that the surge would break the Army. "Losing now will certainly break the force," he wrote. "Victory increases the morale of the soldiers and officers."

But what if there is no victory and no defeat, just a protracted peacekeeping mission requiring at least 10 to 15 combat brigades at a clip? Kagan had plenty of answers. Need more troops in the field? "Ground forces must accept longer tours for several years. National Guard units will have to accept increased deployments during this period," he wrote, calling for the addition of 60,000 soldiers and Marines over the next two years. Shortage of equipment? Transfer it from the non-deployed active duty National Guard and Reserve units. Apparently nobody told him that these sources had already been picked over.

While 12 percent of the Guard and Reserves are currently activated, some soldier-supplying states have been hit harder than others. For example, only 36 percent of Guard troops are available to the governor for civil defense in Mississippi. At the same time, 49 percent of total Guard equipment is being used overseas, while 44 percent of "dual use" equipment—things that can be used in a hurricane as well as the battlefield—has been shipped out.

The Guard and Reserves once made up nearly half the forces in Iraq and Afghanistan. The Guard currently follows a one year on, three and a half years off balance, but military policymakers have been talking about tapping further into these resources. John Goheen, spokesman for the National Guard Association of the

United States, said there hasn't been an exodus of part-time soldiers from the ranks yet. But, "in terms of response ... some units would have a difficult time."

President Bush's answer was to authorize the Army and Marine Corps to add 92,000 new personnel by 2012. This phantom surge may eventually resolve short-term manpower issues, but it breeds an entirely new set of problems for recruitment. Back to 1976.

"It got really bad. It takes a relatively small number to tie it all in knots," Hammes said, recalling the "trash" that ended up on his doorstep. Are we headed there now? You bet, he says—if we aren't there already.

The Army, Marines, and Reserves have been hitting their annual recruitment and retention targets since 2006, but attempts to recover from a disastrous recruiting year in 2005 may have damaged the long-term health of the services.

Lowering standards across the board has opened the gates to people who would previously have been rejected from duty. In 2007, the Army accepted 511 applicants with felony convictions out of a total of 12,057 criminal waivers. The Army is also accepting more recruits with physical waivers and more high-school dropouts—about 25 percent of its annual enlistments, the highest number since the 1970s. In 2005, the Army also started enlisting more men and women who scored in the lowest third of the service aptitude test. Studies show that recruits with lower scores and disciplinary waivers are likely to drop out early or perform poorly.

To entice even these lackluster enlistees, the Army has found that cold cash goes a long way. New recruits can expect more than \$40,000 for just signing up. High-school seniors who enlist early can make \$28,000 and get an additional \$20,000 if they promise to ship out within 30 days of graduation. The Pentagon spent more than \$1 billion in 2006 on

enlistment bonuses alone. Meanwhile, college benefits are being underplayed in order to keep soldiers on active duty longer. The Pentagon is backing a new GI Bill that would only offer full college tuition after six years of service.

As for retention, there is the stop-loss policy, which has kept some 58,300 soldiers from leaving the Army since 2002 and currently affects about 12,235 troops. (Army leaders don't expect the policy to be lifted until at least 2009.) And there are hefty re-enlistment incentives: Special Forces get upwards of \$150,000 to stay on, while captains are being enticed to stay with a new \$35,000 bonus package. Of the 18,000 eligible officers last year, 67 percent took part.

In 1976, Gen. Louis H. Wilson Jr., head of the Marine Corps, came in and cleaned house. At least 25,000 Marines were discharged for disciplinary problems or sub-standard performance. Hammes was able to get rid of half of his platoon. It was the first step in a 10- to 15-year rebuilding of the nation's Armed Forces.

That was peacetime; today we fight "a long war." While generals sound the alarms for the health of their ranks, last year's surge promised more serial deployments. Some think the Army is about to break, others think it can limp along indefinitely as it is. Neither prospect is very promising.

But as long as there isn't a draft, Americans don't pay much attention to how our warrior class changes—whether it's ceasing to be a corps of citizen-soldiers, defined by duty to family and community, and is becoming instead a repository for low-performing misfits or turning into a lusty Roman legion held together by enormous cash incentives.

"It's already looking very different than our ideal military," said Hammes. He would know. ■

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*Kelley Beaucar Vlahos is a Washington, D.C.-based freelance reporter.*



# The Power of Influence

America's early triumphs negotiating oil contracts in the Mideast prove that sometimes second is best.

**By Roger Howard**

ONE HUNDRED YEARS AGO, at a remote spot in the Persian mountains, the earth suddenly started to rumble and, as men shouted with jubilation and trepidation, a stinking black torrent burst through the ground. After several years of seemingly fruitless work, a maverick British explorer, George Reynolds, had pioneered the discovery of oil in the Middle East.

The May 26 centenary of this find occasions a timely lesson about the nature and limits of American power in the contemporary world. Washington hawks argue that the global dominance of the United States is synonymous with its material might and superiority. Unless it possesses a clear military edge over its competitors, they allege, and maintains a strong and visible presence in strategically important parts of the world, it cannot maintain global superiority.

History argues otherwise. In the years that followed the 1908 discovery, when international rivals competed to win concessionary rights to explore for oil in Middle Eastern kingdoms, the U.S. enjoyed one distinct advantage: it was not viewed as an imperial power and therefore enjoyed a degree of influence that others did not. American companies gained an upper hand against the British and were offered preferential treatment purely by virtue of their nationality. Of course, Great Britain was then the pre-eminent imperial power in the Middle East and beyond. It had more

resources—financial, military, and economic—at its disposal and also exerted strong cultural, or “soft,” power. The United States, however, had greater influence.

In 1901, British oil hunters won the first concession to explore for petroleum for the simple reason that a cash-strapped Persian government had no one else to choose. But after 1908, as international interest in the region grew, the shah and his ministers had much more room to maneuver. In 1920, Tehran adopted a policy of trying to lure American investment to the kingdom and succeeded not only in recruiting a U.S. citizen, Morgan Shuster, to advise them on financial matters, but also in offering U.S. oil companies a first option on a new concession to search for and exploit petroleum in areas that fell outside the scope of the 1901 deal. Tehran's Washington representative, Hussein Ala, persuaded State Department officials to coax American companies into taking an interest, and in November 1921, Standard Oil (New Jersey) beat its British rival to the mark and signed a concessionary deal with the Iranian authorities.

In contrast to Great Britain, the shah and his ministers did not see the United States as a threat to Persia's national independence and felt that any concessionary deal would come without political strings. The British government had vast financial assets and a strong military presence in the region, capable

of overawing Persian armed forces. Britain's soft power was pervasive, not least because Persian liberals had long viewed the British system of parliamentary democracy as the very model of fairness and moderation. But British influence in Persia was marred by the perception that its power posed a clear threat to the kingdom's sovereignty. The 1919 Anglo-Persian agreement had aroused nationalist ire, prompting London's local representative to comment, “it is essential to realise the bitter and widespread feeling against everything British at the present time.”

The bid for a concession to explore for oil in Saudi Arabia took a similar course. Negotiations heated up considerably in 1932, when the discovery of oil in nearby Bahrain raised hopes of similar finds nearby. The directors and geologists of Standard Oil of California—known ubiquitously as Socal—reasoned that if they had struck black gold in such fabulous proportions there then numerous other deposits must lie along the same geological fault lines.

Pitched against the American oil giant was the Iraq Petroleum Company, which was essentially British-owned and controlled. Because Whitehall was a majority stakeholder in its equity, the IPC was widely perceived as an instrument of British imperial power.

In order to win the highly valued prize, both parties needed to win the sympathy of Saudi Arabia's ruler, Sheikh Abdul Aziz Ibn Saud. The real

obstacle was the rabid xenophobia of a people who were intensely suspicious and mistrustful even of rival Arabian tribes, let alone infidel Westerners who appeared to pose a clear threat to the kingdom's independence, way of life and, above all, religion.

The king finally offered Socal the deal in May 1933. There can be little doubt that he was swayed by his perception that the United States posed less of a risk to his kingdom's sovereignty and integrity than Great Britain. If the IPC won the concession, he reasoned, the British government would not waste a minute before meddling in Saudi's domestic affairs. As Muhammad al Mana, a key Saudi official closely involved in the negotiations, recalled:

We all felt that the British were still tainted by colonialism. If they came for our oil, we could never be sure to what extent they would come to influence our government as well. The Americans on the other hand would simply be after the money, a motive which the Arabs as born traders could readily appreciate and approve.

The same nationalistic reaction to British imperial power was discernible during the highly protracted negotiations for an oil concession in Kuwait. International interest in the region had started somewhat earlier than in Saudi, in the wake of the discovery of Mesopotamian oil at Baba Gurgur in 1927, but the contestants were essentially the same.

Again American interests, represented by Gulf Oil and an intrepid New Zealander, Frank Holmes, acting as its local representative, were pitched against the British government and the Anglo-Persian Oil Company. And once more, Great Britain's imperial dominance weighed heavily against her chances.

Like his local counterparts, the Kuwaiti leader Sheikh Ahmad perceived British power as a much clearer threat to his kingdom's independence than the Americans. This was the single most important reason that the sheikh decided to keep Anglo-Persian's bid at arm's length. In a revealing 1928 letter, Holmes wrote that the sheikh had started a meeting by telling that him he was "a friend of the Arabs and would be more likely to help them than any other party, and that I had no political aspirations, being purely commercial as had been proved in Bahrain." Holmes's ability to strike an anti-imperial chord was noted by his envious British counterpart, Archibald Chisholm, who wrote, "there is no doubt that Holmes will now make more play than ever with his pro-American and anti-British argument, and at this particular juncture such an argument unfortunately must have some appeal to the sheikh."

A century later, the differentiation between power and influence is no less relevant. The relative growth of American power during the post-Cold War years of unipolarity has not necessarily augmented Washington's influence in some parts of the world. The size and sophistication of its Armed Forces and its economy have undoubtedly increased sharply, and American fashions and tastes have seeped into the popular culture of many countries the world over. But strong nationalist reactions inhibit America's wider influence. A classic case in point is Pakistan, where Coca Cola and fast food can be readily bought, and the economy is dependent on American aid, but there is a strong and growing popular resentment toward Washington's foreign policy. Far from being in retreat, Islamism has been gaining ground in recent years.

On the other hand, the United States may be able to exploit the influence-power divergence to its advantage if, in the years ahead, its global hegemony is

threatened or even surpassed by China. Because of its dramatic rates of economic growth—China's economy has quadrupled over the past quarter century—and its aggressive acquisition of valuable natural resources in foreign countries, many have predicted that China will eventually become the pre-eminent player in global affairs, pushing the United States firmly into second place.

Should this happen, Washington could do worse than to recognize that diminution in its global power will not necessarily lead to a loss of influence. On the contrary, China's strong presence in some parts of the world, notably Africa, has already provoked a strong nationalist reaction. In Zambia, workers have staged numerous bloody demonstrations against Chinese bosses whom they accuse of cruel exploitation. One opposition presidential candidate, Michael Sata, has made protesting against alleged Chinese mistreatment central to his highly successful electoral platform. And China's close association with some of the continent's most brutal regimes, such as Robert Mugabe's government in Zimbabwe, could easily produce a huge backlash of public opinion. The U.S. can exploit nationalist reactions against Chinese power to its own advantage.

Thus the United States should not view China's rise with undue alarm. A more measured perspective suggests that its ascension can be used to increase American influence over global affairs. That is one enduring lesson of the early oil hunters: sometimes it is best to stand back from events elsewhere in the world and let others approach us. ■

*Roger Howard is the author of The Oil Hunters: Exploration and Espionage in the Middle East 1880-1939, due out this summer from Hambledon Continuum.*

# Judge Not

Obama's Supreme Court appointees would not upset the balance of the bench.

By Howard Anglin

LET US STIPULATE that Barack Obama is a man of the Left. He has learned to dulcify his liberalism with grandiloquent equivocations about “moving beyond our divisions” and “change we can believe in.” But Obama's speeches are like Donne's “gold to airy thinness beat”—without the mettle. He remains, at his core, the quintessential Hyde Park Man, a synthesis of Ivy League snobbery and machine politics. Not without reason did *National Journal* adjudge him last year's most liberal member of the Senate.

That predisposition is particularly evident when it comes to the issue of judges. Perhaps because of his tenure as a lecturer in constitutional law or because he dedicated a chapter in his presidential primer, *The Audacity of Hope*, to “Our Constitution,” the one topic on which Obama has made no attempt to uphold his “post-partisan” façade has been the Supreme Court. On other issues, Obama may come before the American people clad in sheep's clothing. But when it comes to the court, to echo Justice Antonin Scalia, “this wolf comes as a wolf.”

That is the consensus in conservative legal circles, but there are reasons to believe that, when it comes to the Supreme Court, an Obama presidency would not be the disaster many conservatives predict.

The case against Obama begins and ends with his own words: “when you look at what makes a great Supreme Court justice, it's not just the particular issue and how they rule, but it's their conception of the court. And part of the role of the court is that it is going to pro-

tect people who may be vulnerable in the political process, the outsider, the minority, those who are vulnerable, those who don't have a lot of clout.” In a similar vein, he has said when it comes to the handful of controversial cases on which the Supreme Court fractures along ideological lines, “the critical ingredient is supplied by what is in the judge's heart.”

These sentiments are consistent with Obama's opposition to the confirmation of Chief Justice John Roberts. At his confirmation hearing, Roberts stated his belief that “Judges are like umpires. Umpires don't make the rules; they apply them.” Obama admonished Roberts for his detachment: “the issues that come before the court are not sports; they're life and death. We need somebody who's got the empathy to recognize what it's like to be a young teenage mom. The empathy to understand what it's like to be poor, or African-American, or gay, or disabled, or old. And that's the criteria by which I'm going to be selecting my judges.”

Most conservatives rightly recoil at such sentimentalism. Like Roberts, they believe a judge's role is to “decide every case based on the record, according to the rule of law, without fear or favor.”

There's a famous story of a similar disagreement between Justices Oliver Wendell Holmes and Learned Hand. As recounted by Robert Bork in *The Tempting of America*, after lunching together, “as Holmes began to drive off in his carriage, Hand, in a sudden onset of enthusiasm, ran after him, crying, ‘Do justice, sir, do justice.’ Holmes stopped the carriage and reproved Hand: ‘That is not my

job. It is my job to apply the law.’” Holmes's rule may be extreme—he certainly did not view it as absolute—but it is the better general rule.

If Obama's position were only that judges should be capable of sympathizing with the poor as well as the rich, the weak as well as the strong, no one would cavil. But his statements imply something more than a desire for judges to weigh interests neutrally. He suggests that justice requires something more: the conscious preference of one party over another. For Obama, equality is not the province of all. As Curt Levey of the Committee for Justice acidly observed, when Obama speaks of the “weak” opposed by the “strong,” he “does not want judges to favor gun owners, unborn babies, white men challenging employers' racial preferences, or property owners threatened by environmental regulations, no matter how much power they're up against.”

Obama has not yet been asked which current justice he most admires, but based on what he has said and written, he seems to have an affinity for Stephen Breyer. In *The Audacity of Hope*, Obama praises Breyer's theory of constitutional interpretation, which is based on a belief that the Supreme Court should promote democratic participation—dubbed “active liberty”—by deferring to Congress in all but the rare case in which federal legislation demonstrably conflicts with a right guaranteed by the Constitution.

Although this approach sounds innocuous, in Breyer's hands it has been riddled with exceptions, which always seem to coincide with the liberal shibbo-



leths of radical egalitarianism, an expansive right to privacy, antipathy to local decision-making, and opposition to the death penalty.

Like a sailor claiming to have discovered Atlantis, Breyer and the liberal majority expound on the wonders of these rights, but can't point to them on the constitutional map. Obama is a great believer in these chimerical rights—witness his outspoken support for an inalienable right to partial-birth abortion—and it is unthinkable that he would appoint a justice who did not share his fantasy.

Why then should conservatives not be horrified by the prospect of an Obama presidency? The short answer is that, under the most likely scenario, his presidency will pass without a single liberal advance in constitutional law.

The weakest reason for optimism is that selecting good justices—meaning justices who consistently fulfill the hopes of the president who nominated them—has proven a *pons asinorum* for even the best presidents. Eisenhower had a dismal record; Reagan and Nixon had mixed results at best. While judges are more likely to move left than right over time, there seems to be a lodestone on the bench that subtly corrects deviations to either extreme.

We have seen this happen with current justice Anthony Kennedy and before him with Sandra Day O'Connor, who vacillated subtly between Right and Left to preserve an overall equanimity. Conservatives should not pin their hopes on this pattern holding for Obama appointees, but it is nonetheless an observable phenomenon, and it would not be a surprise to see President Obama's best laid schemes gang agley. Fortunately, the case against despair rests on more than group dynamics.

The first real argument against pessimism is that the short list from which Obama is likely to draw holds surprisingly few horrors. Although he has

hinted that he might look beyond the usual "academics or people who've been [on] the [lower] court" to "find people who have life experience and ... understand what it means to be on the outside," most liberal short lists dismiss this possibility as politically risky and contrary to the circumspection that Obama has displayed in his campaign.

Candidates most often mentioned are Judge Sonia Sotomayor (2nd Circuit), Judge Johnnie B. Rawlinson and Judge Kim McClane Wardlaw (9th Circuit), Judge Roger Gregory (4th Circuit), Dean Elena Kagan (Harvard Law), former Dean Harold Hongju Koh (Yale Law), former Dean Kathleen Sullivan (Stanford Law), Justice Leah Ward Sears (Chief Justice, Supreme Court of Georgia), Justice Leroy Rountree Hassell Sr. (Chief Justice, Supreme Court of Virginia), and Beth S. Brinkmann (chair of the Appellate Practice Group at Morrison & Foerster).

Identity politics is clearly still the *summum bonum* of the Democratic Party. There are seven women on this list, including two Hispanics and two African-Americans. Two of the men are also African-American, and one is Asian. Superficially, two or three of these candidates would change the face of the Supreme Court. But none is likely to change the balance of power.

In most controversial cases, the current court is balanced between four liberal and four conservative justices, with both sides vying for the pivotal fifth vote of Justice Kennedy. Purely by chance, the three most likely retirees—Justices Souter, Stevens, and Ginsburg—are the Court's most liberal voices. For this reason, the best a Democratic president can hope to do is maintain the status quo, while the worst conservatives face is a missed opportunity. If one accepts that, over time, Democratic appointments to the court are inevitable, conservatives cannot realistically expect better than an exchange of like for like.

Finally, it is an open question how far Left a nominee could be and survive a confirmation battle. The most liberal candidates on this short list are academics, Deans Koh and Sullivan, who have long records of publication and advocacy that, while unremarkable within the academy, are radical by any other measure. Their opinions would be described as within the "legal mainstream" by a liberal media that is wont to confuse mainstream with Left Bank, but the American people usually recognize intellectual humbug and have no patience for it.

Even if the Democrats win a veto-proof Senate majority, the country will remain riven between liberals and conservatives, and any Democrat who believes that a narrow popular majority is a mandate for radicalism is likely to find his fortunes reversed at the midterm election. Democratic senators from red states will be particularly aware of their vulnerability, and alert to conservative issues that threaten to erode their shaky support—prepotent among which is the Supreme Court. Obama's impassioned idealism will mean nothing to a senator whose job is on the line.

Of course, positing that two or three Supreme Court appointments would not be disastrous isn't the same as supporting an Obama presidency. These considerations are meant only to mollify conservative fears, not expunge them. Whatever the outcome of the election, conservatives can take solace in the institutional and practical obstacles that will limit any president's ability to effect meaningful change. While an Obama administration would deny Republicans an opportunity to shore up the court's Right flank, his best efforts will not be enough to mount a serious counterattack. The center will hold; the blood-dimmed tide will not be loosed. ■

*Howard Anglin is a lawyer in Washington, D.C.*

# Brand New

A safe Democratic district in Virginia tests out a different kind of GOP candidate.

By Daniel McCarthy

ON MAY 14, the GOP lost yet another seat in Congress, this one, to the alarm of Republicans nationwide, in the once solid South. Mississippi's First Congressional District went the way of Louisiana's Sixth and Illinois's 14th, all of them supposedly safe GOP seats. Following this latest debacle, retiring Virginia Congressman Tom Davis announced in a memo to his colleagues, "The Republican brand is in the trash can ... if we were a dog food, they would take us off the shelf." The old product no longer sells even to the loyalist consumers. Republicans' survival now depends on marketing themselves as something other than the party of Bush.

Two Republican presidential contenders developed distinctive brands of their own during the primary season. Mike Huckabee ran as an explicitly Christian conservative and compassionate populist, developing a more authentic take on George W. Bush's campaign persona of 2000. Ron Paul, meanwhile, hearkened back to Robert Taft and Barry Goldwater and campaigned as an even more thoroughgoing anti-interventionist and libertarian than either of those old conservative heroes. Neither Huckabee nor Paul could keep John McCain from securing the nomination. But the future of the party may rest with the legacy of one of these defeated candidates.

A test of the Huckabee and Paul legacies—against one another and against an entrenched liberal Democrat—is fast approaching in Virginia's Eighth Congressional District. Its June 10 Republican primary pits Amit Singh, an Arlington defense contractor and first-time

candidate endorsed by Ron Paul, against Mark Ellmore, described by the *Arlington Connection* as a "religious evangelical Christian" who "ran on the promise of putting compassion back in 'compassionate conservatism'" in his first bid for the nomination in 2006. The winner faces an uphill struggle in November against incumbent Democrat James Moran, who has held the seat since 1991.

The district—which encompasses the D.C. suburbs of Alexandria, Falls Church, Arlington County, and parts of Fairfax County—was not always a write-off for the GOP. Republican Stanford Parrish represented it for a decade before losing to Moran. Parrish fell victim to a trend that has since endangered Republicans statewide: metastasizing Washington bureaucracy that has filled the Northern Virginia suburbs with Democratic-voting government employees. Immigration has also steadily transformed the Eighth, which as of the 2000 census was 9.6 percent Asian, 16.4 percent Hispanic, and 13.7 percent black.

Ellmore lost the 2006 GOP nomination to Iraq War veteran Tom O'Donoghue in a landslide, 69-31 percent. He had tried to reach out to African-Americans and other Democratic constituencies in the district, a strategy that the *Arlington Connection* suggests may have cost him the primary by alienating party regulars. Yet any Republican who hopes to improve on O'Donoghue's dismal showing against Moran in '06—31 percent to 66 percent—will have to appeal to voters well beyond the GOP core.

Amit Singh may have a chance of doing that. His candidacy has generated

considerable interest among the Indian-American community, with profiles of Singh, a second-generation Hindu-American, appearing in many of the country's largest Indian-American media outlets, including the newspapers *India Aboard* and *India-West* and the D.C.-based television program "Darshan TV." "There's an undeniable element of 'support our guy,'" says Vinod Valloppillil, who interviewed Singh for the influential Sepia Mutiny blog. "While Indian-Americans have become accustomed to seeing other Indian faces in hospitals, boardrooms, and labs over the last 20 to 30 years, seeing one in political office is still exceedingly rare."

But Indian-American candidates, particularly if they are Republicans, cannot take ethnic solidarity for granted. Asked about Bobby Jindal, the Indian-American Republican governor of Louisiana, a member of Singh's campaign staff said that roughly 70 percent of Indian-Americans are Democrats and have little regard for Jindal. Valloppillil confirmed the point. "Make no mistake, many Indian-Americans are impressed that a guy who looks like Jindal and has a last name like 'Jindal' could get the nod from the GOP and the state of Louisiana," he says. "However, others question what he had to do to join the party." They believe that by changing his name and religion—Bobby's first name is actually Piyush, and he converted from Hinduism to Catholicism—Jindal "sold out his Indian-ness to get GOP support."

Singh may have less trouble in that regard. He was born in Colonial Heights, Virginia, but his family took care to main-

tain ties to the subcontinent. "The family used to spend its entire summer in India because his parents did not want the children to lose touch with Indian culture," notes *India Abroad*. But Valloppillil suggests that Singh's platform has been as important as his Indian-American identity in generating support among the community. Singh's focus "on more fiscal, economic, and personal liberty issues to the exclusion of the moral and religious ... really seems to have struck a chord with Sepia Mutiny's readership," Valloppillil says. Like Ron Paul, Singh takes a federalist position on controversial social issues such as abortion and same-sex marriage. His views on foreign policy and immigration have also resonated with Indian Americans. "I'd wager that Indo-Americans were more opposed to [the Iraq War] than other groups ... many even viewing it as a sort of British Empire redux," says Valloppillil. Singh favors a "phased withdrawal" from Iraq, and he remarked in an interview with *India Today* that "by subsidizing illegal immigration [Democrats] are harming legal immigration from countries with high levels of educations and skills"—such as India.

Whether Singh's fiscal conservatism and foreign-policy realism will find support among other minorities in the Eighth district—and among rank-and-file Republicans in the primary—remains to be seen. His views have, however, proven popular with many of the area's GOP activists. Two influential Northern Virginia conservative blogs, Crystal Clear Conservative and Red Virginia, have endorsed him—in the case of Crystal Clear Conservative, despite disagreeing with him on Iraq. His campaign has attracted volunteers and staff from the Leadership Institute, an Arlington-based organization that trains young conservatives—even though the institute's founder, RNC committeeman Morton Blackwell, is an Ellmore supporter. Singh's campaign manager,

Steve Bierfeldt, is the institute's national field director. And although he has not given a formal endorsement, state Sen. Ken Cuccinelli, a favorite of Virginia conservatives and candidate for the state GOP's attorney general nomination next year, was a "special guest" at a \$100 a plate fundraiser for Singh on May 15.

Singh's press secretary, Navdeep Singh (no relation to the candidate) suggests that several of Virginia's younger GOP leaders—Amit Singh is 33, Cuccinelli is 39—share an affinity that is generational as well as philosophical: having come of age when Ronald Reagan was in the White House, the 42nd president's optimistic, small-government sensibility comes naturally to them. Certainly Singh is a happy warrior. And while nearly all Republicans profess fealty to Reagan's ghost, the generational difference between Singh and his opponent is real enough.

Ellmore, 49, has been campaigning on the strength of his relationship with the party establishment. His press releases highlight endorsements from local Republican officials past and present, including Chris Marston, chairman of the Alexandria GOP, and Jim Hyland, head of the Fairfax party. "A lot of times Republicans are left with a choice between candidates who have very similar positions on most of the issues," Marston told the *Alexandria Gazette Packet* in April, "But this time we have two candidates who are offering a real choice to voters about the philosophy of government."

Ellmore has downplayed his compassionate conservatism since Singh entered the race in April, however. A section on his campaign website entitled "Expanding Health Care and Protecting Seniors With Conservative Values," which touted his support for "expanding Medicare to help pay for assisted living homes" and "a reformed version of SCHIP that guarantees health care to underprivileged children," disappeared

after pro-Singh blogs called attention to it. The section was replaced with one that called for keeping "health care a private industry and not a government business." Asked in an online interview about the characterizations of the race as "Ron Paul vs. Mike Huckabee," Ellmore equivocated: "I admire Dr. Paul and Governor Huckabee. I have met Dr. Paul and appreciate his message. ... Both are wonderful servants of the people."

Singh, for his part, has aired some of his differences with Congressman Paul. Unlike the Texan, Singh supports the Republicans' presumptive presidential nominee. "I do support McCain, but I do want him to continue to get more conservative," particularly on immigration, he says. Singh is also more flexible than Paul on a timetable for withdrawal from Iraq. "Whether the phase out takes a year, 18 months, six months, whatever it might be, it has to happen responsibly," he says. These differences did not prevent Paul from endorsing Singh or holding a fundraiser with him on May 14, however, which helped Singh exceed his target of \$50,000 for the primary. Singh was already comfortably ahead of Ellmore as of the March 31 filing date for FEC reports: Singh had raised \$35,339 and had \$29,595 cash on hand versus Ellmore's \$13,600 raised and \$14,747 cash on hand.

It will take many multiples of the \$57,000 Singh has raised so far to mount a serious challenge to Moran in November, and even with Ron Paul-style fundraising, unseating Moran may prove an impossible task for any Republican this cycle. But as Marston says, the GOP will have a clear philosophical choice in its primary. And should Singh win the nomination, he will offer voters in November a brand of Republicanism very different from the one they are used to. If that brand can win converts in this heavily Democratic district, it may point the way toward Republican revival in places like Illinois, Louisiana, and Mississippi. ■



# Russia's Backyard

IN LATE MAY, tensions between Russia and Georgia increased after Moscow accused its Caucasian neighbor of spying and aiding rebels in Chechnya and Dagestan. Russian authorities accused Ramzan Turkoshvili, an ethnic Chechen born in Georgia, of funneling aid to rebels in southern Russia, effectively labeling Georgia a state sponsor of terrorism.

The flap comes after Russia reinforced its "peacekeeping" units and elevated its diplomatic representation in the breakaway regions of Abkhazia and South Ossetia. These moves appear to have paved the way for formal recognition of the two Russian-backed statelets inside Georgia, and they seem likely to lead to renewed hostilities between the breakaway regions and Tbilisi.

But rather than proving why Georgia is a bad candidate for integration into NATO and a liability to American interests, these episodes are almost certain to solidify Washington's bipartisan consensus that the U.S. should guarantee Georgian sovereignty.

Those looking for different views on American policy toward Russia and the Caucasus among the presidential contenders will be disappointed. John McCain's bizarrely passionate commitment to successive Georgian governments is well known, and his likely Democratic opponent's views are fundamentally no different. Along with a broad swathe of other Democrats, Barack Obama has co-sponsored a resolution calling for Ukrainian and Georgian membership in NATO, demonstrating that his professed interest in bipartisanship helps to reinforce the ruinous policies that his supporters believe he will change.

The broader foreign-policy agreement between the two campaigns is symbolized by the collaboration of two

of their respective advisers, Robert Kagan and Ivo Daalder. Earlier this year, the pair co-authored an op-ed in the *Washington Post* that laid out plans for achieving future interventions abroad and hinted at the creation of a "Concert of Democracies." This idea is essentially identical to McCain's proposed league, which opposes the influence of Russia even in its own backyard.

Kagan asked recently, "Would the United States really want to live in a world where Russia holds sway over Georgia and the Ukraine?" Chillingly, either future administration would probably answer, "No." But the appropriate response would be, "Sure, why not?" These are states that, until very recently, were Soviet republics and were Russian provinces for at least a century before the revolution—and much longer than that in the case of Ukraine. It's not just as if Russia declared American influence in Latin America unacceptable, rather, from the Russian perspective, it would be like declaring American influence in Texas and Hawaii offensive.

Kagan's attitude reflects a dangerously skewed understanding of U.S. interests and a breathtaking arrogance, especially in the wake of the Iraq experience. It is part of a more general trend of exaggerating foreign threats, restricting other powers' range of acceptable action to their own borders, and recasting 21st-century international affairs according to the model of the 19th-century Great Game, in which the Caucasus was an important area of competition between Russia and British-backed rivals.

Kagan has misleadingly tried to shoe-horn the hybrid authoritarian regimes of Russia and China into a mold of "autocracy" and argues that their foreign policy is comparable to "autocratic" regimes of

another era. This distorts how he sees the Russian reaction to NATO expansion. Writing in *The New Republic*, Kagan said,

NATO has become more benign, just as Russia has become more aggressive. When Russia was more democratic, Russian leaders saw their interests as intimately bound up with the liberal democratic world. Today the Russian government is suspicious of the democracies, especially those near its borders.

The principal difference between the 1990s and now is not a change in regime type but in Russia's relative strength. NATO expansion has always been provocative. But only in recent years has Moscow had the confidence to push back.

The premise of continued NATO expansion must be that the independence of Russia's neighbors is threatened and that the United States must guarantee their security. This is a mission doomed to failure or disaster. Failure is more likely because Russia's neighbors remain heavily tied to Russia with respect to energy and trade, and there is no compelling reason for any Western state to risk conflict with Russia for the sake of resisting its traditional sphere of influence. It is telling that our major European allies, who also have strong commercial and energy ties to Russia, want no part of proposed Ukrainian and Georgian NATO membership.

Given the bipartisan support for Georgia, Russia's renewed assertiveness in its near abroad, and the ideological blinders of interventionists who see Georgia as an embodiment of liberal democracy confronted by an encroaching "autocracy," the possibility of a collision is still very real. And no matter who is elected in November, it will keep getting closer. ■

# Arts & Letters

## FILM

[*The Chronicles of Narnia: Prince Caspian*]

### The Lion King

By Steve Sailer

THE MEDIEVALIST and popular theologian C.S. Lewis began publishing his seven fantasy novels for children, *The Chronicles of Narnia*, in 1950, four years before his close friend and Oxford colleague, the philologist J.R.R. Tolkien, finally released his *Lord of the Rings* trilogy. Tolkien, who had painstakingly crafted an immense backstory for his older and more obsessive audience, found maddening Lewis's debonair approach to fantasy world concoction, protesting, "It really won't do, you know!" Thus, while sales for both series have reached nine figures, Tolkien's has inspired the larger cult.

The Lewis-Tolkien relationship/rivalry lives on in blockbuster movie adaptations. The success of Peter Jackson's "Rings" movies, which remain this decade's great cinematic achievement, prompted Disney to set another New Zealand filmmaker, Andrew Adamson, co-director of the smirky "Shrek," to work filming "The Lion, the Witch and the Wardrobe."

The fortuitously named Adamson's 2005 movie about two "Sons of Adam," Peter and Edmund Pevensie, and two "Daughters of Eve," their sisters Susan and Lucy, who stumble into Narnia, a land of "Talking Beasts" out of *The Wind in the Willows* and centaurs and dwarves from pagan myths, might have been rapturously acclaimed if it had pre-

ceded "Rings." "The Lion" was certainly a competent and respectful adaptation that earned a lucrative \$292 million domestically.

Admiral J.R. Jellicoe, commander of Britain's Grand Fleet during World War I, had to bear the knowledge that "he was the only man on either side who could lose the war in an afternoon." The directors who launch franchise series, such as Adamson and Chris Columbus, who successfully kicked off the "Harry Potter" movies, labor under the awareness that they can blow a billion dollars in potential profit. Recently, director Chris Weitz helped sink New Line Cinema, maker of "Rings," by earning only \$70 million in America with his \$180 million "The Golden Compass," the first of a planned trilogy based on Philip Pullman's secularist anti-Narnia series, *His Dark Materials*.

Adamson's "Narnia" sequel, "Prince Caspian," follows the path blazed by both Jackson's and Columbus's second installments by being more violent, intense, and well-crafted, at some expense in charm. Like "The Two Towers" (the best of the three "Rings"), "Prince Caspian" is a war movie. It doesn't quite measure up to "The Two Towers" as a heroic epic, but then, what does?

In "Prince Caspian," the four Pevensie children are called back to restore Narnia after an invading race of humans, the Telmarines, have ethnically cleansed it of its talking animals. Like Hamlet, the young Telmarine Prince Caspian has lost his rightful throne to his usurping regicidal uncle. He must now fight for his life by allying with the surviving creatures and the Pevensies. Adamson gives the Telmarines Spanish accents, which leaves the prince sounding rather like the Spanish swordsman in "The Princess Bride" who repeatedly challenged:

"Hello. My name is Inigo Montoya. You killed my father. Prepare to die."

Lewis would have liked the accents because the Spanish were so ardent in their quixotic chivalry, and Lewis, who was wounded on the Western Front in 1917, loved chivalry. As he wrote in *Mere Christianity*, "the idea of the knight—the Christian in arms for the defence of a good cause—is one of the great Christian ideas."

While lacking the *Rings'* nerdish grandeur, *The Chronicles of Narnia* are, despite Tolkien's complaints, far from simplistic. Every critic notes that Narnia's liberator, the majestic lion Aslan, is a Christ-figure who gives his life in the first film to save sulky little Edmund and then comes back from the dead. (This left many reviewers of "The Lion" nervous about being exposed to subversive Christian indoctrination.)

Yet few have observed that Lewis played a more complicated allegorical game, blending in pagan myth, as Dante had. For example, the kingly Aslan, whose voice is aptly furnished by the formidable Liam Neeson (who sounds more like Jehovah than Jesus), makes for a peculiarly imposing savior in contrast to the crucified Christ familiar from Michelangelo's "Pieta" or Grunewald's "Isenheim Altarpiece."

*Planet Narnia*, a new book by the Lewis scholar Michael Ward, the chaplain at Peterhouse College at Cambridge, advances the plausible theory that the immensely learned Lewis modeled each of his seven *Narnia* novels on the temperament of one of the seven planets of Greek astronomy, calling them "spiritual symbols of permanent value." *The Lion*, which introduces the jovial Aslan, is dedicated to Jupiter, while the martial *Prince Caspian* belongs to Mars. ■

Rated PG for epic battle action and violence.

## BOOKS

*[War and Decision: Inside the Pentagon at the Dawn of the War on Terrorism, Douglas J. Feith, Harper, 688 pages]*

# The Politics of Bad Feith

By Lawrence Wilkerson

NEOCONSERVATIVES such as Douglas Feith are not conservatives by any means, despite the label. They are radicals in the vein of French Jacobins, thirsting for utopia and willing to do almost anything to speed its arrival. Such people write, speak, and explain themselves prodigiously, principally in an attempt to mask their deeds. *War and Decision*, Douglas Feith's new book, joins their canon.

There are, of course, places where Feith is on target. Even a Jacobin is sometimes right. For example, his criticism of the U.S. executive branch's decision-making and execution process is accurate, if insufficiently damning. As Jim Locher, the architect of the Goldwater-Nichols Act and now head of the Project on National Security Reform, told the Senate Foreign Relations Committee on April 24:

Our national security system is not capable of handling the threats and challenges or exploiting the opportunities that confront us in today's complex, fast-paced, information-age world. ...Our national security challenges require effective whole-of-government integration, but we remain dominated by outmoded, inward-looking, vertically oriented, competitive, stove-piped bureaucracies...

Or as Dr. Joseph Collins, now at the National Defense University (NDU) but recently a member of the Office of the

Secretary of Defense, pointed out in his November 2007 study of the Iraq War: "Mistakes in the Iraq operation cry out for improvements in the U.S. decision-making and policy execution systems ... these improvements will require major changes in the legislative and executive branches, as well as in interagency processes."

In short, even if the very best minds had made the very best decisions from 2001 to 2005, complex challenges involving al-Qaeda, Afghanistan, and Iraq would have remained largely unresolved, given the sorry state of our national security decision-making and execution processes.

But organizational failure only goes so far and can only excuse so much. Leadership, and the character of the people making the decisions, far outweighs the importance of organization and process. This is where Feith attempts to enlighten his reader most. He rages against the Department of State, in particular Deputy Secretary Richard Armitage and Secretary Colin Powell.

Feith is so zealous in this regard that he makes several very bad errors while proudly believing himself to be right—a common failing of this ultimately very strange man. He characterizes, for example, Armitage's failure to secure the deputy position at the Defense Department as the source of his later anger and coldness toward Feith and his comrades at Defense. Feith claims that Armitage's state of mind significantly contributed to the failures in the interagency process. The reader can almost see Feith's quirky little smile as he writes, "Powell would have had an especially favorable bureaucratic situation if he had headed State while his best

friend, Armitage, was the number two at Defense." (This of course was Vice President Cheney's forte, sprinkling his people liberally throughout the bureaucracy to spy on his behalf.)

The truth is that in December 2000, in the Transition Office at State, Powell related to me and others in the room how ecstatic he was to have Armitage as his deputy—and Armitage was also delighted, having informed Rumsfeld in his only interview with him that there was zero chance he would come to work at Defense. Armitage's growing anger from 2001 to 2004 was not because of a thwarted ambition to be number two at Defense; rather, he was frustrated by the ever increasing ruthlessness of his key counterparts, such as Feith, as they used the vice president to muscle everyone else aside while they pursued their objectives.

That's not all. The fact that the number-two and number-three positions at Defense were in the hands of men—Wolfowitz and Feith—who were decidedly not leaders, managers, or administrators, but conceptual thinkers, was disastrous. The trains of the largest not-for-profit organization on earth began crashing into one another almost from the start. In July and August 2001, the betting within the administration on which cabinet official would be fired first had Rumsfeld as the winner going away. Then came the tragic terrorist attacks of Sept. 11. The nation needed a secretary of war. Rumsfeld was salvaged. Not only that, he reveled in the new role, protected by a vice president who sought to use the only instrument of national power with which he was comfortable—the Armed Forces—to deepen and expand the power of the

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presidency. The Defense Department continued its decline: in late 2001, for example, the Pentagon's uniformed military had to inform me that Rumsfeld had prohibited its members from meeting State's policy planning staff to discuss key national-security issues. There was to be no significant interagency coordination, except when Rumsfeld or one of his principal minions ordered it.

These are infinitesimal details that give tone and tint to the larger catastrophes. Where Feith's book completely collapses is over the two fundamental issues that drove me to begin speaking out publicly in October 2005—the abject failure of post-invasion planning for Iraq and the management and interrogation of prisoners in the so-called global war on terror. In other words, gross, deadly incompetence and abuse and torture.

On the latter, Feith hardly utters a word in this book—a rational decision for a man who could some day face charges of war crimes. He does tell us briefly about Guantanamo Bay, concluding that “[d]espite Rumsfeld’s astute forebodings about becoming the world’s jailer, he was not able to head the problems off.” The problems included proper vetting on the battlefield, humane handling, and final disposition, the last a particularly difficult challenge once the detainees were put in legal limbo at Gitmo. We now know that Powell and his legal adviser, William H. Taft, warned Rumsfeld repeatedly about these issues. Rumsfeld chose to ignore them.

Philippe Sands’s new book, *Terror Team*, gives us all we need to expose Feith. Sands, who interviewed Feith at

length, writes, “Feith had phenomenal energy: he was like one of those bunnies running on [Energizer] batteries and it was difficult to get a word in edgeways.” He tells us that Feith went on to argue that the Geneva Conventions were strengthened by what the administration did with detainees. Feith proudly told Sands, “This was something I played a major role in.” Indeed he did. By the time the reader finishes Sands’s well-documented book, he realizes that Feith was at best incredibly stupid, at worst a dissembling criminal.

I knew a great deal about the abuse and torture before Sands’s revelations because Powell had charged me with documenting them. I also knew about the incompetence with regard to post-invasion Iraq because I was immersed in it. For instance, after the first and only planning meeting for the post-invasion team—Gen. Jay Garner’s Office of Reconstruction and Humanitarian Assistance (ORHA)—at the NDU, people from both State and Defense who had attended came to me and said they were deeply concerned. Nothing of consequence had occurred, they reported, except that everyone met. The situation worsened. I received a call from one of State’s ORHA members in Kuwait, waiting to enter Iraq, who reported that there were no plans, no supplies, no leaders, and no instructions. I then learned that our ambassador in Baghdad, Barbara Bodine, was virtually without resources to do her job. All this exquisite planning lay at the feet of the indomitable Energizer bunny, Doug Feith.

Feith’s book reinforces this image of inadequate planning. He records that all he and Rumsfeld wanted to do—Feith regrets that the president did not feel this way too—was get in, get out, and leave the Iraqis to their own destiny. Feith tells us that he and his boss realized that such a swift trusting of the Iraqis to do their own thing would not necessarily bring democracy, but that did not matter because “the measure of success ... would be whether we ended the dangers posed by Iraq—WMD, sup-

port for terrorism, threats against neighbors, and tyranny.” All this would be “a hugely valuable victory—even if the Iraqis were slow (or unable) to build a stable democracy.”

In other words, if Chalabi, or a reasonable equivalent, were quickly installed, all that really counted would follow, including a modicum of democracy in the future—one day, perhaps, maybe. And, Feith tells us, Condoleezza Rice’s particular insistence on creating “a democratic, unified Iraq that can be a model of good governance for the region” was “inconsistent with the idea of Iraqis being allowed to run their own affairs after Saddam’s removal.” The reader begins to get the point: had the U.S. just followed Feith and Rumsfeld’s guidance—take out Saddam, put Chalabi and his cohorts in the now vacant palaces, withdraw U.S. forces except for a few to ensure Chalabi and crew were secure until they could muster their own forces—all would have gone swimmingly. That’s the gist of Feith’s story.

Many have asked me: will Colin Powell or Richard Armitage ever counter Feith—or the upcoming tome to be manufactured by Donald Rumsfeld—with their side of the story? I’ll offer an educated guess and say no. Both men are today so embarrassed at having joined, with open eyes, such a colossally inept national security team—Bush, Cheney, Rumsfeld, Wolfowitz, Feith, Gonzalez, Bolton, Addington, the list seems almost endless—that they could never bring themselves to describe their personal and professional experiences. They would have to acknowledge the breadth and depth of their original blindness. Instead, they remain silent, hoping that people and history will eventually forget. After all, in our land, they usually do. ■

*Col. Lawrence Wilkerson (ret.) was chief of staff to Secretary of State Colin Powell from 2002 to 2005. He is now the Pamela Harriman Visiting Professor of Government and Public Policy at the College of William and Mary.*

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[Churchill, Hitler, and the  
Unnecessary War: How Britain  
Lost Its Empire and the West  
Lost the World, Patrick J.  
Buchanan, Crown, 501 pages]

## Necessary Evil

By John Lukacs

PATRICK BUCHANAN'S new book contains two themes under one cover. One is addressed to the present, the other to the Second World War. One is his declaration that the American empire is in great and deep trouble—that, like the British Empire two thirds of a century ago, it is overextended and weak. The other is that the Second World War was a grievous mistake—that Britain (foremost: Churchill) and America should not have fought Hitler's Germany. The two themes are not equivalent, and their treatment in this book is uneven. The vast majority of pages are about World War II. But in Buchanan's mind the two themes are obviously inextricable, indeed, dependent on each other. For the purpose of a review, however, I must separate them.

That the present American empire is much overextended, overgrown, and at risk of all kinds of dangers, most of them willfully ignored by the American people and their politicians, is so. Buchanan deserves credit for having pointed this out, again and again, in his articles and books. But, alas, in his discussion of his larger thesis, his arguments are stamped by what we might call selective indignation or, more accurately, special pleading. (Indignation, after all, is almost always selective, while not every pleading is necessarily special.)

He claims that the transformation of the United States from a Republic to an empire was started by George W. Bush. What Bush has done and is still doing is, of course, lamentable. But the reaching out of American power all over the world, the fact that there are now American bases and missions in more than 700 places around the globe, the building of a 600-ship Navy, etc., began with

Eisenhower and Dulles. It went on with Johnson, Nixon, Carter, and especially with Buchanan's hero, Reagan, and then under Clinton. Already in 1956, Section Nine of the Republican Party platform called for "the establishment of American air and navy bases all around the world." This was the party that so many liberal commentators still wrongly called "isolationist." This was the party to which Patrick Buchanan adhered and the American foreign policy that he vocally thumped for until very recently.

The other trouble with Buchanan's anti-imperialist thesis is his argument that what happened to the British Empire applies obviously to the present American one. There are two points against this. One is that history does not repeat itself, and the rise and decline of Britain's empire was and remains quite different from the American situation. Buchanan's argument is that the Second World War—more precisely, Churchill's decision to resist Hitler, no matter what the cost—was a disaster for Western civilization but, more directly, for the British Empire itself. Yet the gradual liquidation of the British Empire, and the piecemeal acceptance by the British people of that, long preceded World War II.

The further and perhaps deeper problem is Buchanan's sincerity. Since when has he been an admirer of the British Empire? There is no evidence for such an affection in his public or writing career until now. To the contrary, there is ample evidence of his conviction that the United States should not have supported Britain and its empire either in the First or in the Second World War.

Here I arrive at the main theme of this book. *How Britain Lost Its Empire and the West Lost the World* is only its subtitle, its main title being *Churchill, Hitler, and the Unnecessary War*. This emphasis accords with what is—and has been for a long time—Buchanan's view of history. The Second World War was an unnecessary war; a wrong war, especially involving Europe; it was wrong to fight Hitler; and Churchill was primarily, indeed principally, responsible. A man has, or more precisely chooses, his opin-

ions. The choice, ever so often, depends on his inclinations. In this review it is not my proper business to speculate about Buchanan's inclinations. I must restrict myself to questioning his arguments.

The British decision to offer an alliance to Poland in 1939 was a hasty one, replete with unintended consequences. Partly true. Hitler did not wish to destroy the British Empire. Partly true. He did want to destroy Communism and the Soviet Union. Partly true. Churchill was a warrior; he was obsessed with the danger of German power. Partly true. Hitler wanted to expel Jews from Europe but not to exterminate them, at least not while the former policy was still possible. Again, partly true. Or in other words, true but not true enough. Here is a difference between Patrick Buchanan and David Irving. The latter employs falsehoods; Buchanan employs half-truths. But, as Thomas Aquinas once put it, "a half-truth is more dangerous than a lie."

The Second World War began in September 1939, with Hitler's armies invading Poland. Buchanan writes that the British commitment to Poland was a stupid mistake and that the Poles should not have fought Hitler. Now here is an example of a special pleader's method: selective quotation. Buchanan will quote A.J.P. Taylor when this suits him, as when Taylor wrote, "Only Danzig prevented cooperation between Germany and Poland." (Taylor was wrong: all evidence shows that what Hitler wanted was a Poland bereft of any independence from Germany.) Of course, Buchanan will not cite Taylor's four words describing Churchill: "The savior of England."

Let me now raise the question: What would have happened if Britain and France had allowed Hitler to conquer Poland? After that he would have gone further east and then conquered the Soviet Union, with the acquiescence of the West. All to the good, Buchanan writes, since Communism was evil, more dangerous than German National Socialism. But there is—and there ought to be—no comparison here. Germany was part and parcel of European culture, civilization, and tradition.

Russia was not. Stalin had a predecessor, Ivan the Terrible. Hitler had none. German National Socialist brutality was unprecedented. Russian brutality was not. Nationalism, not Communism, was the main political force in the 20th century, and so it is even now. When the Third Reich collapsed in 1945, perhaps as many as 10,000 Germans killed themselves, and not all of these had been Nazis. When the Soviet Union and Communist rule in Eastern Europe collapsed in 1989, I do not know of a single Communist, whether in Russia or elsewhere, who committed suicide.

There was a consistency in Churchill's view of Europe and of the world. To him, and for Britain, there were only two alternatives: either all of Europe dominated by Germany or the eastern half of Europe dominated by Russia, and half—especially the western half—of Europe was better than none. Besides, Churchill said that the Russians could swallow Eastern Europe but not digest it and that Communism would disappear from Eastern Europe before long. If Hitler had won the war, German rule would have been much more enduring.

This is not the first of Buchanan's many expressions of his visceral and intellectual antipathy to Churchill. Irving's main method in defending Hitler is to blacken all of Hitler's opponents, foremost among them Churchill. But then he is obsessed with what is and what is not true of the Holocaust. Buchanan is not. In this book, Buchanan deprecates Hitler: in 1942 "he was absorbed in self-pity: and he was condemning his own people." On page 383: Hitler's was "an evil and odious regime." But there is a fatal contradiction in Buchanan's theses: Hitler's regime—including, one may think, its expansion—was evil, but warring against him was unnecessary and wrong. Either thesis may be argued, but not both. ■

*John Lukacs is author of a number of books, including George Kennan: A Study of Character and Blood, Toil, Tears and Sweat: The Dire Warning: Churchill's First Speech as Prime Minister.*

*[The Politics of Freedom: Taking on the Left, the Right, and Threats to Our Liberties, David Boaz, Cato Institute, 329 pages]*

*[Leave Us Alone: Getting the Government's Hands Off Our Money, Our Guns, Our Lives, Grover G. Norquist, HarperCollins, 338 pages]*

## Agenda for Anti-statists

By W. James Antle III

IF THE ERA of big government was ever truly over, it is now back by popular demand. The voting blocs demanding largesse from Washington currently outnumber those clamoring to keep government small and taxes low. While many books and magazine articles have been written about repackaging the Right, and a few advance anti-statist arguments, only two recent releases focus on solving this problem: *Leave Us Alone*, by Grover Norquist, president of Americans for Tax Reform, and *The Politics of Freedom*, by David Boaz, executive vice president of the libertarian Cato Institute and the man who persuaded Starbucks to print "laissez-faire" on their customized cards. Both authors try valiantly to restore limited government to our political lexicon.

To get a sense of how far small-government conservatism has fallen, take a look at former House Speaker Newt Gingrich's recent "Nine Real Acts of Change." Gingrich was always a deeply flawed figure, and the original Contract with America had its share of gimmickry, but anti-statist rhetoric nevertheless played a large role in the 1994 Republican campaign. The first two to three years of the Gingrich Congress represent the last time the GOP made a serious attempt to cut federal spending.

Fourteen years and more than \$1.5 trillion later, the best government-cutting ideas Gingrich can come up with

are a summer gas-tax holiday paid for by unspecified reductions in discretionary spending and trimming the Census Bureau's budget. Even the moratorium on earmarks doesn't really count, because earmarking merely affects the disbursement of federal funds, not the level of spending. Getting rid of every earmark in a bloated appropriations bill would not directly cut any spending—it would simply empower bureaucrats to hand out the cash rather than congressmen.

Although "Nine Real Acts of Change" might be a particularly glaring example, the failure of imagination isn't Gingrich's alone. Most recent conservative books and articles about how the Republicans can get their groove back contain the assumption that any meaningful reduction in the size and scope of the federal government—once a core objective of the American Right and a staple of Republican campaign rhetoric—is off the table indefinitely, perhaps permanently. The authors of these manifestos, who include some of the Right's brightest domestic-policy thinkers, argue instead that Republicans need to make whatever concessions to big government are necessary to buy off the electorate long enough to bomb Iran or do whatever else the writer in question thinks most important.

This advice comes even though big-government conservatism has manifestly failed not only as policy but also as politics. The strongest argument for it is that programs like the Medicare prescription-drug benefit and No Child Left Behind delayed Democratic victories. It may well be true that without federally subsidized drugs for seniors or centrist-sounding rhetoric about public schools, George W. Bush would have found winning the 2000 and 2004 elections difficult, perhaps impossible. But even if these concessions helped buy a couple of elections, they did not change the debate. The Democrats quickly regained their electoral advantages on Medicare and education, while the GOP found itself in a bidding war it could not win.

To be fair to big-government conservatism's defenders, they are at least trying to grapple with changes in political circumstances that have made government-cutting, always exceedingly difficult in a mass democracy, a particularly Herculean task today. Some of these changes have been brought about by Republican successes, such as Ronald Reagan's reductions in marginal income tax rates and the resulting economic growth, which have made big government feel cheaper. These rates are so far below the staggering levels of the 1970s and early '80s that there is no longer much political mileage or Laffer Curve effect to be gained from promising to cut them further. And as we discovered under Bill Clinton, marginal rates are low enough that the economy can still grow quite smartly if they are raised slightly. "Bracket creep" is gone and millions of voters have been dropped from the income-tax rolls entirely. Republicans still running on a Kemp-Roth platform are responding to the problems of 30 years ago, which their predecessors largely solved.

After Republicans passed and Clinton signed welfare reform, it was harder to make the argument that the federal government was injurious to middle-class values. Harder politically, that is: Social Security, to cite just one example, has undercut the economic logic of the traditional family as much as welfare payments to unwed mothers, though it has been less obviously detrimental to family formation. But Social Security recipients tend to be middle-class people who worked for a lifetime, not some indolent underclass. GOP politicians have generally lacked the political will and the intellectual firepower to make the case against middle-class entitlements.

More often, the obstacles to government-cutting have been brought about by Republican failures. When the GOP took control of Congress in the 1990s, the Cold War's conclusion made possible significant cuts in defense spending, the baby boomers were prospering financially and were still far from retirement, and there was a broad consen-

sus—shared even by a Democratic president—that markets worked better than government bureaucracy. The Gingrich Republicans were not without accomplishment and would probably have been more successful had it not been for that Democratic president's demagoguery. But when you take a look at how little they were actually able to do with these opportunities, especially compared to the enduring spending reductions passed by the 1947-48 "Do Nothing" Congress at the apex of big-government liberalism, the 1994 "revolution" can only be judged a monumental flop.

It is tempting, and usually correct, to blame President Bush for the problems facing the Right. But the Republican Congress never recovered from its 1996 budget battle with Clinton and had mostly stopped doing anything worthwhile by 1998—before Bush declared his candidacy and Gingrich surrendered the speaker's gavel. By the time Bush became president, Republicans were so happy to be in power that they seldom complained when he failed to build on Gingrich's few successes (welfare reform) and even reversed them (farm subsidies, the budget surplus, and the federal government's share of GDP).

Today the country lacks a powerful constituency mobilized on behalf of limited government to counteract voters who want more from Washington. As the more Bush-sympathetic Ramesh Ponnuru put it in *National Review*, "There are more voters who care deeply about keeping the Small Business Administration in operation than there are voters who care deeply about shutting it down." But even here, Republicans are not entirely blameless. They increasingly tell their constituents—who are basically the same voting blocs the GOP appealed to in 1994—that their interests are best served not by smaller government but by Republican-controlled government. Where ridiculous little programs like midnight basketball were once used as an example of out-of-control federal spending, now they are about the only spending Republicans promise to cut.

In this political climate, Norquist and Boaz are outliers. They have both spent decades fighting for limited government from the unlikely location of Washington, D.C. They both champion policies aimed at ensuring more Americans derive their incomes from the free market than the redistributive state, according to the investor-class or ownership-society theory of how to produce small-government voters. They both are as protective of civil liberties as they are of taxpayers' pocketbooks. Where they and their books differ is that Norquist works within the Right and the Republican Party while Boaz advocates a libertarian third way that transcends the conventional Left-Right spectrum.

While Boaz's book is a collection of past essays about policy as well as political strategy, Norquist's—which I've discussed previously in *The American Spectator*—is a new roadmap for Republicans in 2008 and beyond. Norquist argues that Republicans should represent the Leave Us Alone Coalition, a group of voters who want to keep the government from taking their guns, money, and freedom, leaving the Democrats to champion a Takings Coalition of voters on the dole. The battle between the two coalitions, he says, will determine whether the United States becomes a European-style welfare state or not.

"If nothing is done," Norquist warns, "even if no new taxes are raised, no new spending programs invented, the simple growth of federal government spending driven by the existing entitlement programs of Social Security, Medicare, and Medicaid, and the aging of the baby boomers will drive federal spending from 20 percent of the economy to 40 percent by 2050." Norquist proposes countering this trend by ensuring that health insurance, pensions, and education are all individually owned and controlled rather than handed out as government benefits. That means succeeding on entitlement reform where Bush failed and becoming serious about free-market healthcare reform where the GOP has in the past paid lip service.



Boaz sounds some Norquistian notes of his own, contending that “Republicans win when they cut taxes.” He further argues, “The tax consumers in our society are well organized; the taxpayers need to be organized, too.” He also favors Social Security privatization, medical savings accounts, and school choice. Harder-line libertarians might raise objections: Medicare Part D and No Child Left Behind began as ownership-society initiatives—the first was to contain real free-market reform of Medicare, the second to expand school choice—and ended as egregious examples of big-government conservatism. Vouchers could end up socializing private schools rather than privatizing education. But even this is too radical a limited-government program for either party this year.

Norquist and Boaz look to very different voters to support their agenda. Norquist describes the Religious Right primarily as a parents-rights movement of people who want to practice their faith and raise their children without government interference. Boaz sees religious conservatives as moral busybodies who want to run people’s lives as comprehensively as any liberal central planner. The Religious Right is as vital a part of Norquist’s Leave Us Alone Coalition as supporters of same-sex marriage are of Boaz’s nonpartisan politics of freedom.

Who’s right? There are religious conservatives who fit both Norquist’s description and Boaz’s. Recent polling shows that the appeal of limited government to younger evangelicals is, well, limited. Other social conservatives prefer candidates who broadly share their values but, as Norquist has argued, don’t have a detailed ten-point program. Thus they were enthusiastic backers of GOP budget hawks in the 1990s and big-government conservatives today; they voted for Bush (and before that, Pat Buchanan) when he was for a humble foreign policy, then went cheerfully along for the ride to Iraq.

Forget these fair-weather friends of liberty, says Boaz. Instead of sticking

with the anti-statists, small-government supporters should focus on the libertarian swing vote, which he claims is roughly 20 percent of the electorate and helped cost Republicans control of Congress. According to Boaz and David Kirby, executive director of America’s Future Foundation, libertarians gave Bush 72 percent of their votes in 2000. After four years of “war, wiretapping, and welfare-state social spending,” Bush won only 59 percent. In the 2006 congressional elections, Republicans again won just 59 percent of the libertarian vote. Divided government and competition between the parties might be a more promising political strategy than tying the Leave Us Alone Coalition to the GOP.

Unfortunately, the libertarian swing vote may also contain some inconsistent friends of freedom. Based on Boaz’s own figures, a majority of them still voted Republican at the height (one hopes) of big-government conservatism and they experienced their biggest swing toward the Democrats in 2004, when pro-war, pro-Patriot Act, tax-and-spend John Kerry was the presidential candidate. That’s partly due to imperfect political choices but it doesn’t help that Boaz’s definitions are so elastic: Lots of people will tell pollsters that they prefer lower taxes and fewer government services in the abstract without actually favoring such policies in practice.

Boaz seems to be talking about voters who consider themselves fiscally conservative but socially liberal. These people are not necessarily libertarians, however. Some self-described fiscal conservatives support higher taxes to reduce the deficit. Others are content to run deficits as long they get to cut taxes. Similarly, many social liberals believe in taxpayer-funded abortion and embryonic stem-cell research and would have the government force religious institutions to override their moral teachings on homosexuality. If you consider pro-choice (on abortion only) Jon Stewart more libertarian than pro-life Ron Paul, there is probably

something wrong with your definition of libertarianism.

Even with a better definition, there remains a problem: The politicians who are with Boaz on the Patriot Act, warrantless wiretapping, and the federal marriage amendment are more often than not against him on Social Security, school choice, and tax cuts. The opposite is also true. How then does a libertarian voter choose? War would seem to be the deciding factor—Boaz reports that libertarians who considered Iraq the number-one issue broke 64 percent to 31 percent for Democratic congressional candidates in 2006—but some Beltway libertarians seem more uncomfortable with social conservatives than with superhawks. What, though, if lower capital gains taxes and expanded 401k’s really are a better way to make voters more market-friendly than undercutting the traditional family and increasing unskilled immigration?

Some of Norquist’s conservative coalition partners might complicate his project as well. Many of them are more interested in the simulated drowning of Islamofascists than drowning government in a bathtub. And plenty of anti-statists would rather end the war than the estate tax. Both kinds of reader will object to the small role foreign policy plays in Norquist’s vision. Some might prefer Boaz’s quest for philosophical consistency to Norquist’s microtargeting.

*Leave Us Alone’s* biggest advantage over *The Politics of Freedom* is that of the tried against the untried: Some version of Norquist’s proposed coalition has existed before and, while it could never roll back New Deal liberalism, it has countered the economic changes that alarm Norquist at least three times in the last 60 years. Boaz wants to make something that has long existed in the realm of ideas viable in electoral politics. We don’t know what the future will bring, but those who hope for greater individual freedom would do well to contemplate both of these blueprints for limited government. ■

*W. James Antle III is associate editor of the American Spectator.*

# Exo-Strategy

As I watched the new hit movie “Iron Man,” starring a guy in a flying armored suit, I asked myself: Why don’t we fight our wars like that? You know, so that we win,

using the maximum amount of technology, suffering the minimum amount of bloodshed? After all, the nuclear-powered protagonist, played by Robert Downey Jr., wipes out the bad guys in Afghanistan yet barely gets a scratch, safe inside his weaponized rocket-man outfit.

So what does Hollywood know that the Pentagon doesn’t? Even audiences seem to be way ahead of our Cleveland Park Clausewitzes.

The whole point of war technology is to turn a fair fight into an unfair fight. Remember that scene in the first “Indiana Jones” movie, in which the menacing Arab swordsman tries to dazzle our hero with his deft juggling of a giant scimitar? Whereupon Indy just pops him with his revolver? That’s the way to do it. Indeed, the success of colonialism in the late 19th century could be explained in Hillaire Belloc’s couplet: “Whatever happens, we have got / The Maxim gun, and they have not.”

Arthur C. Clarke once observed, “Any sufficiently advanced technology is indistinguishable from magic.” So it’s hard for us today to imagine what it must have been like to be a Third Worlder back then, when the white people showed up with their steamships, rapid-fire weapons, and then, even more amazingly, telegraphs and airplanes. It was obviously an overwhelming experience—for a time.

But the Japanese, to name one leading non-Occidental example, quickly got the hang of things. And with a few bumps along the way, they have been improving

their techno-technique ever since. So maybe history is about to repeat itself, on the other foot. When I saw the news about a Honda robot, the Asimo, conducting the Detroit Symphony Orchestra, I thought, “Are we sitting here in America, slackjawed in wonderment at others’ technological achievement, clueless as to the military significance of what we are seeing—as Japan plots its revenge for Hiroshima?” Just asking.

History is pretty decisive on one point: every technology is dual-use. It can lengthen your life—or shorten your life. So it’s best if you have the instruction manual written in your language.

History is also decisive on another point: most people never learn from history. As the real Clausewitz wrote nearly two centuries ago, “The first rule is therefore to enter the field with an army as strong as possible. This sounds very like a commonplace, but still it is really not so.”

Indeed, it is not so. Fast forward to the hubris of our own Donald Rumsfeld, whose signature combination of arrogance and incompetence will merit its own chapter in some future compendium of anti-Clausewitzian thinking. Waving away concerns that perhaps the U.S. wasn’t up-armored for Iraq, and otherwise up-equipped, Rumsfeld famously la-de-da’d, “You go to war with the Army you have.”

There you have it, ladies and gentlemen of the high courts martial of history jury. The Feithian Special Planners at DOD spent years plotting ways to install a *Weekly Standard* reader as their Man

in Baghdad, but in their haste for regime change, they neglected technological evolution.

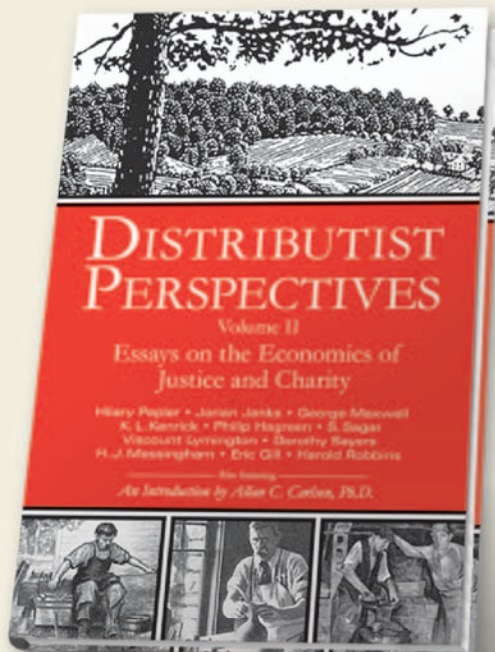
In World War II, when we had a president who really wanted to win and who knew what he was doing, we mobilized our entire country for victory. And the results of that mobilization were the weapons and the weapons-making complex that won a hot war, as well as the Cold War that followed. Winning a hot war is cool, but winning a Cold War, without world-historical levels of casualties, is much cooler.

Meanwhile, our friends the neocons speak grandly of a bigger Army but not really a better Army. Their vision is lots more low-tech boots on the ground, speaking, of course, Arabic and Farsi. And if those boots get IED’d on a regular basis by ungrateful locals? Well, that’s what guest-soldiers are for, to ease the pain—for the rest of us, that is, as we relax at home with the *Journal*.

So back to the value of pre-emptive technology. Years into two sandy quagmires, the U.S. Army has finally unveiled a kind of robot suit, a mechanical exoskeleton made by a Salt Lake City firm called Sarcos. It weighs 150 pounds and works to amplify the speed and strength of human movements.

That’s good, but we needed those machines, complete with armor, five years ago.

Where have you gone, Vannevar Bush? During World War II, as director of the Pentagon’s Office of Scientific Research and Development, you gave us everything from the proximity fuse to the A-bomb. Today, our low-tech nation at war turns its eyes to you—mourning the loss of thousands whose lives could have been saved. ■



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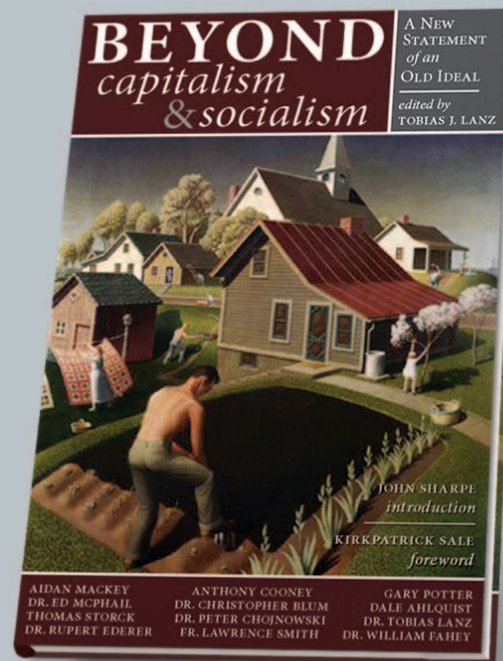
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